

THURSDAY, MARCH 18, 2004
SEVENTY-FIRST LEGISLATIVE DAY

CALL TO ORDER

The Senate met at 9:00 a.m., and was called to order by Mr. Speaker Wilder.

PRAYER

The proceedings were opened with prayer by Dr. Jamie Work of Candies Creek Baptist Church in Cleveland, Tennessee, a guest of Senator Miller.

PLEDGE OF ALLEGIANCE

Senator McLeary led the Senate in the Pledge of Allegiance to the Flag.

ROLL CALL

The roll call was taken with the following results:

Present 30

Senators present were: Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Ford, Fowler, Graves, Harper, Haynes, Henry, Herron, Ketron, Kilby, Kurita, Kyle, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland, Williams and Mr. Speaker Wilder--30.

COMMUNICATIONS

March 5, 2004

The Honorable John S. Wilder
Lieutenant Governor
State of Tennessee
1 Legislative Plaza
Nashville, Tennessee 37243-0226

Dear John:

The State Legislative Leaders Foundation, of which I am Chairman Emeritus, is meeting in Charlottesville, Virginia, at the University of Virginia Center for Politics March 18-March 21, 2004.

The topic of this meeting is "Making Elections Count: Winning, Governing and Engaging the Public". Therefore, I would request your approval for my absence from the Senate Chamber for the Session on Thursday, March 18, 2004.

Your consideration of my request is greatly appreciated.

Sincerely,

/s/ Ben Atchley

APPROVED: Lieutenant Governor
John S. Wilder

THURSDAY, MARCH 18, 2004 -- 71ST LEGISLATIVE DAY

March 9, 2004

Lt. Governor John Wilder
1 Legislative Plaza
Nashville, TN 37243

Dear Gov. Wilder,

I would like to request your permission to be absent from Session on Wednesday, March 17 and Thursday, March 18. I will be out of town on a trip that was planned several months ago.

I appreciate your leadership.

Very truly yours,

/s/ Senate Larry Trail

APPROVED: Lieutenant Governor
John S. Wilder

STANDING COMMITTEE REPORTS

STATE AND LOCAL GOVERNMENT

MR. SPEAKER: Your Committee on State and Local Government begs leave to report that we have carefully considered and recommend for passage: Senate Bills Nos. 2119, 2485, 2586 with amendment, 2612, 2694, 2712 with amendment, 3136 with amendments, 3166, 3167 and 3373; and House Joint Resolution No. 944; also, recommend that Senate Bills Nos. 2711 and 3437 be referred to Committee on Finance, Ways and Means.

COHEN, Chairperson
March 16, 2004

The Speaker announced that he had referred Senate Bills Nos. 2119, 2485, 2586 with amendment, 2612, 2694, 2712 with amendment, 3136 with amendments, 3166, 3167 and 3373; and House Joint Resolution No. 944 to Committee on Calendar.

The Speaker announced that he had referred Senate Bills Nos. 2711 and 3437 to Committee on Finance, Ways and Means.

COMMERCE, LABOR AND AGRICULTURE

MR. SPEAKER: Your Committee on Commerce, Labor and Agriculture begs leave to report that we have carefully considered and recommend for passage: Senate Bills Nos. 2259 with amendment, 2392 with amendments, 2422, 2706 with amendments, 2737 with amendments, 2877, 2931 with amendment, 3186, 3187, 3259 with amendment, 3358, 3376, 3396 and 3421; also, recommend that Senate Bills Nos. 2391 with amendment, 2895 with amendment, 3385, 3393 and 3455 with amendment; and Senate Joint Resolution No. 747 be referred to Committee on Finance, Ways and Means

COOPER, Chairperson
March 16, 2004

THURSDAY, MARCH 18, 2004 -- 71ST LEGISLATIVE DAY

The Speaker announced that he had referred Senate Bills Nos. 2259 with amendment, 2392 with amendments, 2422, 2706 with amendments, 2737 with amendments, 2877, 2931 with amendment, 3186, 3187, 3259 with amendment, 3358, 3376, 3396 and 3421 to Committee on Calendar.

The Speaker announced that he had referred Senate Bills Nos. 2391 with amendment, 2895 with amendment, 3385, 3393 and 3455 with amendment; and Senate Joint Resolution No. 747 to Committee on Finance, Ways and Means.

JUDICIARY

MR. SPEAKER: Your Committee on Judiciary begs leave to report that we have carefully considered and recommend for passage: Senate Bills Nos. 2085, 2241, 2379 with amendment, 2524 with amendment, 2661 and 2735; and Senate Resolutions Nos. 120, 121 and 122; also, recommend that Senate Bills Nos. 2744, 2935 with amendment, 2975 with amendment, 2976, 3103 with amendment, 3209 with amendment and 3280 be referred to Committee on Finance, Ways and Means.

PERSON, Chairperson
March 16, 2004

The Speaker announced that he had referred Senate Bills Nos. 2085, 2241, 2379 with amendment, 2524 with amendment, 2661 and 2735; and Senate Resolutions Nos. 120, 121 and 122 to Committee on Calendar.

The Speaker announced that he had referred Senate Bills Nos. 2744, 2935 with amendment, 2975 with amendment, 2976, 3103 with amendment, 3209 with amendment and 3280 to Committee on Finance, Ways and Means.

EDUCATION

MR. SPEAKER: Your Committee on Education begs leave to report that we have carefully considered and recommend for passage: Senate Bills Nos. 2205 and 3349; Senate Joint Resolution No. 797; and House Joint Resolutions Nos. 871 and 872.

McNALLY, Chairperson
March 17, 2004

The Speaker announced that he had referred Senate Bills Nos. 2205 and 3349; Senate Joint Resolution No. 797; and House Joint Resolutions Nos. 871 and 872 to Committee on Calendar.

GENERAL WELFARE, HEALTH AND HUMAN RESOURCES

MR. SPEAKER: Your Committee on General Welfare, Health and Human Resources begs leave to report that we have carefully considered and recommend for passage: Senate Bills Nos. 2100 with amendment, 2134 with amendment, 2162 with amendment, 2260 and 3294; also, recommend that Senate Bills Nos. 2457 with amendment and 3294 be referred to Committee on Finance, Ways and Means.

FORD, Chairperson
March 17, 2004

THURSDAY, MARCH 18, 2004 -- 71ST LEGISLATIVE DAY

The Speaker announced that he had referred Senate Bills Nos. 2100 with amendment, 2134 with amendment, 2162 with amendment, 2260 and 3294 to Committee on Calendar.

The Speaker announced that he had referred Senate Bills Nos. 2457 with amendment and 3294 to Committee on Finance, Ways and Means.

ENVIRONMENT, CONSERVATION AND TOURISM

MR. SPEAKER: Your Committee on Environment, Conservation and Tourism begs leave to report that we have carefully considered and recommend for passage: Senate Bills Nos. 877 with amendment, 2722 with amendment, 2770 with amendment and 3411; also, recommend that Senate Bill No. 2431 with amendment be referred to Committee on Finance, Ways and Means; and Senate Bill No. 2664 with amendment be referred to Committee on Commerce, Labor and Agriculture.

MILLER, Chairperson
March 17, 2004

The Speaker announced that he had referred Senate Bills Nos. 877 with amendment, 2722 with amendment, 2770 with amendment and 3411 to Committee on Calendar.

The Speaker announced that he had referred Senate Bill No. 2431 with amendment to Committee on Finance, Ways and Means.

The Speaker announced that he had referred Senate Bill No. 2664 with amendment to Committee on Commerce, Labor and Agriculture.

TRANSPORTATION

MR. SPEAKER: Your Committee on Transportation begs leave to report that we have carefully considered and recommend for passage: Senate Bills Nos. 2179, 2212, 3369, 3371 and 3383; also, recommend that Senate Bill No. 3153 and Senate Joint Resolution No. 798 be referred to Committee on Finance, Ways and Means.

WILLIAMS, Chairperson
March 17, 2004

The Speaker announced that he had referred Senate Bills Nos. 2179, 2212, 3369, 3371 and 3383 to Committee on Calendar.

The Speaker announced that he had referred Senate Bill No. 3153 and Senate Joint Resolution No. 798 to Committee on Finance, Ways and Means.

GOVERNMENT OPERATIONS

MR. SPEAKER: Your Committee on Government Operations begs leave to report that we have carefully considered and recommend for passage: Senate Bills Nos. 2399, 2405 and 2564; also, recommend that Senate Bill No. 3407 be referred to Committee on General Welfare, Health and Human Resources.

HARPER, Chairperson
March 17, 2004

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The Speaker announced that he had referred Senate Bills Nos. 2399, 2405 and 2564 to Committee on Calendar.

The Speaker announced that he had referred Senate Bill No. 3407 to Committee on General Welfare, Health and Human Resources.

PRESENTATION

Senator Cooper presented **Senate Joint Resolution No. 739** to Bill Moore, Tennessee Department of Transportation.

MR. SPEAKER WILDER RELINQUISHES CHAIR

Mr. Speaker Wilder relinquished the Chair to Senator Haynes as Speaker pro tempore.

MR. SPEAKER WILDER RESUMES CHAIR

Mr. Speaker Wilder resumed the Chair.

MOTION

Senator Harper moved that the rules be suspended for the immediate introduction and consideration of **Senate Joint Resolution No. 858**, out of order, which motion prevailed.

INTRODUCTION OF RESOLUTION

Senate Joint Resolution No. 858 by Senator Harper.
Memorials, Professional Achievement -- Athan Gibbs, Sr., TruVote Voter Validation System.

On motion of Senator Harper, the rules were suspended for the immediate consideration of the resolution.

Senator Harper moved to amend as follows:

AMENDMENT NO. 1

AMEND in the resolving clause by deleting "to him our best wishes for every future success" and by inserting "to his family our deepest condolences".

On motion, Amendment No. 1 was adopted.

On motion, **Senate Joint Resolution No. 858**, as amended, was adopted by the following vote:

Ayes	26
Noes	0

Senators voting aye were: Beavers, Bryson, Burchett, Burks, Clabough, Cooper, Crowe, Crutchfield, Dixon, Ford, Fowler, Graves, Harper, Haynes, Henry, Herron, Kilby, Kurita, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland and Williams--26.

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A motion to reconsider was tabled.

PRESENTATIONS

Senator Norris presented **Senate Joint Resolution No. 801** to John and Dana Butler, 2004 National Young Farmers of the Year.

Senator McNally presented **Senate Joint Resolution No. 782** to James A. "Buddy" Conner.

Senator McLeary presented **Senate Joint Resolution No. 720** to Buddy Patey.

INTRODUCTION OF BILLS

The Speaker announced that the following bills were filed for introduction and passed first consideration:

Senate Bill No. 3481 by Senator Kilby.

Campbell County -- Subject to local approval, authorizes imposition of hotel/motel tax in an amount not to exceed 5 percent of the consideration charged to a transient.

Senate Bill No. 3482 by Senator Ketron.

Rutherford -- Subject to local approval, revises maximum amount of development tax. Amends Chapter 215 of the Private Acts of 1996.

Senate Bill No. 3483 by Senator Herron.

Scotts Hill -- Subject to local approval, repeals the current charter of the Town of Scotts Hill and replaces it with a new charter.

HOUSE BILLS ON FIRST CONSIDERATION

The Speaker announced that the following House Bills were transmitted to the Senate and passed first consideration:

House Bill No. 2141 -- Highway Signs -- "Roscoe Pickering Memorial Bridge", SR 238 in Montgomery County.

House Bill No. 2618 -- Alcoholic Beverages -- Includes health club facility in Knox County in definition of premier type tourist resort for purpose of consumption of alcoholic beverages on the premises. Amends TCA Section 57-4-102.

House Bill No. 2782 -- Children -- Defines hardship for purposes of parental delegation of child care-giving authority to another adult. Amends TCA Section 34-6-302.

House Bill No. 2813 -- Tennessee Bureau of Investigation -- Authorizes the Department of Children's Services to request that a criminal justice agency conduct a name-based criminal history check on adult residents of the home in which a child is placed during an emergency situation and requires the TBI to positively identify the residents by fingerprint analysis. Amends TCA Section 37-2-415.

House Bill No. 3540 -- Veterinarians -- Allows state veterinarian to serve as non-voting, ex-officio member of board of veterinary medical examiners. Amends TCA Section 63-12-104.

House Bill No. 3543 -- Biocides and Herbicides -- Requires sales of pesticides classified by Commissioner of Agriculture as being for restricted use, only to persons holding and who show proof of valid certificate or license issued by the department; increases penalty from Class C to Class A misdemeanor for certain violations.

House Bill No. 3566 -- McKenzie -- Subject to local approval, repeals Indigent Care Trust Fund. Repeals Chapter 371 of the Private Acts of 1982.

House Bill No. 3567 -- Greeneville -- Subject to local approval, modifies civil service system. Amends Chapter 179 of the Private Acts of 1953; as amended.

House Bill No. 3568 -- Cocke County -- Subject to local approval, repeals act that created office of county attorney.

SENATE BILLS ON SECOND CONSIDERATION

The Speaker announced that the following bills passed second consideration and were referred to the appropriate committee:

Senate Bill No. 3479 held on desk.

Senate Bill No. 3480 held on desk.

INTRODUCTION OF RESOLUTIONS

The Speaker announced that the following resolutions were filed for introduction. Pursuant to Rule 21, the resolutions lie over.

Senate Joint Resolution No. 831 by Senator Cooper.
Memorials, Academic Achievement -- Eric Green, Valedictorian, Huntland High School.

Senate Joint Resolution No. 832 by Senator Cooper.
Memorials, Academic Achievement -- Carie Ann Clark, Co-Valedictorian, Huntland High School.

Senate Joint Resolution No. 833 by Senator Cooper.
Memorials, Academic Achievement -- Jamie Smith, Salutatorian, Huntland High School.

Senate Joint Resolution No. 834 by Senator Cooper.
Memorials, Academic Achievement -- Hilary Bauer, Co-Valedictorian, Huntland High School.

Senate Joint Resolution No. 835 by Senator Cooper.
Memorials, Academic Achievement -- Mary Reynolds, Salutatorian, F.C. Boyd, Sr. Christian High School.

Senate Joint Resolution No. 836 by Senator Cooper.
Memorials, Academic Achievement -- Heather Davis, Salutatorian, F.C. Boyd, Sr. Christian High School.

Senate Joint Resolution No. 837 by Senator Cooper.
Memorials, Academic Achievement -- Christopher Mark Fanning, Valedictorian, Huntland High School.

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Senate Joint Resolution No. 838 by Senator Cooper.

Memorials, Academic Achievement -- Chase Hard, Valedictorian, F.C. Boyd, Sr. Christian High School.

Senate Joint Resolution No. 839 by Senator Cooper.

Memorials, Academic Achievement -- Andrea Bouldin, Valedictorian, Van Buren County High School.

Senate Joint Resolution No. 840 by Senator Beavers.

Memorials, Academic Achievement -- Ashley Trobaugh, Valedictorian, Clay County High School.

Senate Joint Resolution No. 841 by Senator Beavers.

Memorials, Academic Achievement -- Kerry Andrew Hall, Salutatorian, Hermitage Springs School.

Senate Joint Resolution No. 842 by Senator Beavers.

Memorials, Academic Achievement -- Lee Ann Daniels, Valedictorian, Hermitage Springs School.

Senate Joint Resolution No. 843 by Senator Beavers.

Memorials, Academic Achievement -- Brittany Ford, Salutatorian, Clay County High School.

Senate Joint Resolution No. 844 by Senator Beavers.

Memorials, Academic Achievement -- Brittni Smith, Valedictorian, Red Boiling Springs High School.

Senate Joint Resolution No. 845 by Senator Beavers.

Memorials, Academic Achievement -- Leveda Birdwell, Salutatorian, Red Boiling Springs High School.

Senate Joint Resolution No. 846 by Senator Beavers.

Memorials, Academic Achievement -- Krystal Morgan, Salutatorian, Red Boiling Springs High School.

Senate Joint Resolution No. 847 by Senator Beavers.

Memorials, Academic Achievement -- Jonathan Smith, Valedictorian, Red Boiling Springs High School.

Senate Joint Resolution No. 848 by Senator Beavers.

Memorials, Academic Achievement -- Jacky King, Jr., Valedictorian, Smith County High School.

Senate Joint Resolution No. 849 by Senator Beavers.

Memorials, Academic Achievement -- Matthew Winkler, Salutatorian, Smith County High School.

Senate Joint Resolution No. 850 by Senator Beavers.

Memorials, Academic Achievement -- Andrew D. Gibbs, Salutatorian, Gordonsville High School.

Senate Joint Resolution No. 851 by Senator Beavers.

Memorials, Academic Achievement -- Zachary Tyler Medley, Valedictorian, Gordonsville High School.

Senate Joint Resolution No. 852 by Senator Beavers.

Memorials, Academic Achievement -- Amanda Hughett, Valedictorian, Mt. Juliet High School.

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Senate Joint Resolution No. 853 by Senator Beavers.

Memorials, Academic Achievement -- Kimberly Geary, Salutatorian, Mt. Juliet High School.

Senate Joint Resolution No. 854 by Senator Norris.

Memorials, Recognition -- John Green and Company Realtors, 25th anniversary.

Senate Joint Resolution No. 855 by Senator Norris.

Memorials, Academic Achievement -- Heather Elizabeth van Stolk, 77th Annual Memphis-Shelby County Spelling Bee Champion.

Senate Joint Resolution No. 856 by Senators Atchley and Burchett.

Memorials, Recognition -- East Tennessee Veterans Memorial Association.

Senate Joint Resolution No. 857 by Senator Crutchfield.

Memorials, Public Service -- Emeline "Emmy" Haney, 2004 Jim Pryor Child Advocacy Award.

Senate Joint Resolution No. 859 by Senators Henry, Haynes, Harper and McNally.

Memorials, Retirement -- Marie Williams.

Senate Joint Resolution No. 860 by Senator Dixon.

General Assembly, Statement of Intent or Position -- Urges public health officials, insurers, and health care providers to adopt recommendations of American Academy of Pediatrics for the prevention of respiratory syncytial virus (RSV) in children.

Senate Joint Resolution No. 861 by Senator Cooper.

Memorials, Academic Achievement -- Mica Hutchings, Salutatorian, Van Buren County High School.

Senate Joint Resolution No. 862 by Senator Cooper.

Memorials, Academic Achievement -- Dustin Wayne Shelton, Valedictorian, Coffee County Central High School.

Senate Resolution No. 138 by Senator Kurita.

Memorials, Personal Occasion -- Bill and Yvonne Stinnett, 50th anniversary.

RESOLUTIONS LYING OVER

House Joint Resolution No. 956 -- Memorials, Retirement -- Bill Moore.

The Speaker announced that he had referred House Joint Resolution No. 956 to Committee on Calendar.

House Joint Resolution No. 967 -- Memorials, Personal Achievement -- Martin Kyle Duckworth, Eagle Scout.

The Speaker announced that he had referred House Joint Resolution No. 967 to Committee on Calendar.

House Joint Resolution No. 968 -- Memorials, Sports -- Martin Middle School Cheerleaders.

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The Speaker announced that he had referred House Joint Resolution No. 968 to Committee on Calendar.

House Joint Resolution No. 969 -- Memorials, Sports -- Westview High School Cheerleaders, 2004 UCA Super Large Division National Championship.

The Speaker announced that he had referred House Joint Resolution No. 969 to Committee on Calendar.

House Joint Resolution No. 972 -- Memorials, Professional Achievement -- Karen Bleeding, Elementary Teacher of the Year.

The Speaker announced that he had referred House Joint Resolution No. 972 to Committee on Calendar.

House Joint Resolution No. 973 -- Memorials, Professional Achievement -- Billie Jean Chrisman, Secondary Level Teacher of the Year.

The Speaker announced that he had referred House Joint Resolution No. 973 to Committee on Calendar.

House Joint Resolution No. 974 -- Memorials, Professional Achievement -- Virginia Ann Wadleigh, Middle Level Teacher of the Year.

The Speaker announced that he had referred House Joint Resolution No. 974 to Committee on Calendar.

House Joint Resolution No. 975 -- Memorials, Retirement -- Annie Marie Trott.

The Speaker announced that he had referred House Joint Resolution No. 975 to Committee on Calendar.

House Joint Resolution No. 976 -- Memorials, Death -- Albert A. Kelley.

The Speaker announced that he had referred House Joint Resolution No. 976 to Committee on Calendar.

Senate Joint Resolution No. 816 -- Memorials, Academic Achievement -- Nathaniel Douglas Smith, Co-Valedictorian, Warren County High School.

The Speaker announced that he had referred Senate Joint Resolution No. 816 to Committee on Calendar.

Senate Joint Resolution No. 817 -- Memorials, Professional Achievement -- Lee Workman, Teacher of the Year, Lincoln Middle School and Hamblen County.

The Speaker announced that he had referred Senate Joint Resolution No. 817 to Committee on Calendar.

Senate Joint Resolution No. 818 -- Memorials, Professional Achievement -- Janet Rouse, Teacher of the Year, Witt Elementary School and Hamblen County.

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The Speaker announced that he had referred Senate Joint Resolution No. 818 to Committee on Calendar.

Senate Joint Resolution No. 819 -- Memorials, Professional Achievement -- Susan Gatz, Teacher of the Year, West High School and Hamblen County.

The Speaker announced that he had referred Senate Joint Resolution No. 819 to Committee on Calendar.

Senate Joint Resolution No. 820 -- Memorials, Professional Achievement -- Susan McGowan, Teacher of the Year, Lincoln Elementary School.

The Speaker announced that he had referred Senate Joint Resolution No. 820 to Committee on Calendar.

Senate Joint Resolution No. 821 -- Memorials, Professional Achievement -- Joy Rose, Teacher of the Year, Union Heights Elementary School.

The Speaker announced that he had referred Senate Joint Resolution No. 821 to Committee on Calendar.

Senate Joint Resolution No. 822 -- Memorials, Professional Achievement -- Traci Jefferson, Teacher of the Year, East High School.

The Speaker announced that he had referred Senate Joint Resolution No. 822 to Committee on Calendar.

Senate Joint Resolution No. 823 -- Memorials, Professional Achievement -- Patty Baxley, Teacher of the Year, West View Middle School.

The Speaker announced that he had referred Senate Joint Resolution No. 823 to Committee on Calendar.

Senate Joint Resolution No. 824 -- Memorials, Professional Achievement -- Amy Hazelwood, Teacher of the Year, Hillcrest Elementary School.

The Speaker announced that he had referred Senate Joint Resolution No. 824 to Committee on Calendar.

Senate Joint Resolution No. 825 -- Memorials, Professional Achievement -- Thelma Metzger, Teacher of the Year, Alpha Elementary School.

The Speaker announced that he had referred Senate Joint Resolution No. 825 to Committee on Calendar.

Senate Joint Resolution No. 826 -- Memorials, Professional Achievement -- Peggy Howell, Teacher of the Year, Fairview-Marguerite Elementary School.

The Speaker announced that he had referred Senate Joint Resolution No. 826 to Committee on Calendar.

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Senate Joint Resolution No. 827 -- Memorials, Professional Achievement -- Gwendolyn Cates, Teacher of the Year, John Hay Elementary School.

The Speaker announced that he had referred Senate Joint Resolution No. 827 to Committee on Calendar.

Senate Joint Resolution No. 828 -- Memorials, Death -- Frank William Hicks, Jr.

The Speaker announced that he had referred Senate Joint Resolution No. 828 to Committee on Calendar.

Senate Joint Resolution No. 829 -- Memorials, Congratulations -- Nashville Rescue Mission, 50th anniversary, March 16, 2004.

The Speaker announced that he had referred Senate Joint Resolution No. 829 to Committee on Calendar.

Senate Joint Resolution No. 830 -- Memorials, Death -- Peggy Weil Steine.

The Speaker announced that he had referred Senate Joint Resolution No. 830 to Committee on Calendar.

CONSENT CALENDAR NO. 1

House Joint Resolution No. 902 -- Naming and Designating -- Designates March 2004 "American Red Cross Month".

House Joint Resolution No. 954 -- Memorials, Public Service -- Presley Hughes.

House Joint Resolution No. 956 -- Memorials, Retirement -- Bill Moore.

House Joint Resolution No. 961 -- Memorials, Sports -- Andrea Stefek, Tennessee Soccer Player of the Year.

House Joint Resolution No. 962 -- Memorials, Congratulations -- Sumner County High Schools.

House Joint Resolution No. 963 -- Memorials, Sports -- Hendersonville High School Cheerleaders, World Cheerleading Association Medium Varsity Division National Champions.

House Joint Resolution No. 964 -- Memorials, Recognition -- Communities in Schools.

House Joint Resolution No. 965 -- Memorials, Sports -- Blue Springs Hawks, 2004 Athletic Cheer and Dance National Champions.

House Joint Resolution No. 967 -- Memorials, Personal Achievement -- Martin Kyle Duckworth, Eagle Scout.

House Joint Resolution No. 968 -- Memorials, Sports -- Martin Middle School Cheerleaders.

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House Joint Resolution No. 969 -- Memorials, Sports -- Westview High School Cheerleaders, 2004 UCA Super Large Division National Championship.

House Joint Resolution No. 972 -- Memorials, Professional Achievement -- Karen Blooding, Elementary Teacher of the Year.

House Joint Resolution No. 973 -- Memorials, Professional Achievement -- Billie Jean Chrisman, Secondary Level Teacher of the Year.

House Joint Resolution No. 974 -- Memorials, Professional Achievement -- Virginia Ann Wadleigh, Middle Level Teacher of the Year.

House Joint Resolution No. 975 -- Memorials, Retirement -- Annie Marie Trott.

House Joint Resolution No. 976 -- Memorials, Death -- Albert A. Kelley.

Senate Joint Resolution No. 816 -- Memorials, Academic Achievement -- Nathaniel Douglas Smith, Co-Valedictorian, Warren County High School.

Senate Joint Resolution No. 817 -- Memorials, Professional Achievement -- Lee Workman, Teacher of the Year, Lincoln Middle School and Hamblen County.

Senate Joint Resolution No. 818 -- Memorials, Professional Achievement -- Janet Rouse, Teacher of the Year, Witt Elementary School and Hamblen County.

Senate Joint Resolution No. 819 -- Memorials, Professional Achievement -- Susan Gatz, Teacher of the Year, West High School and Hamblen County.

Senate Joint Resolution No. 820 -- Memorials, Professional Achievement -- Susan McGowan, Teacher of the Year, Lincoln Elementary School.

Senate Joint Resolution No. 821 -- Memorials, Professional Achievement -- Joy Rose, Teacher of the Year, Union Heights Elementary School.

Senate Joint Resolution No. 822 -- Memorials, Professional Achievement -- Traci Jefferson, Teacher of the Year, East High School.

Senate Joint Resolution No. 823 -- Memorials, Professional Achievement -- Patty Baxley, Teacher of the Year, West View Middle School.

Senate Joint Resolution No. 824 -- Memorials, Professional Achievement -- Amy Hazelwood, Teacher of the Year, Hillcrest Elementary School.

Senate Joint Resolution No. 825 -- Memorials, Professional Achievement -- Thelma Metzger, Teacher of the Year, Alpha Elementary School.

Senate Joint Resolution No. 826 -- Memorials, Professional Achievement -- Peggy Howell, Teacher of the Year, Fairview-Marguerite Elementary School.

Senate Joint Resolution No. 827 -- Memorials, Professional Achievement -- Gwendolyn Cates, Teacher of the Year, John Hay Elementary School.

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Senate Joint Resolution No. 828 -- Memorials, Death -- Frank William Hicks, Jr.

Senate Joint Resolution No. 829 -- Memorials, Congratulations -- Nashville Rescue Mission, 50th anniversary, March 16, 2004.

Senate Joint Resolution No. 830 -- Memorials, Death -- Peggy Weil Steine.

Senate Resolution No. 135 -- Memorials, Death -- Frank "Billy" Hicks, Jr.

Senate Resolution No. 136 -- Memorials, Public Service -- Adam Hanover.

Senate Resolution No. 137 -- Memorials, Public Service -- Beaux Carriere.

Senator Crowe moved that all Senate Joint Resolutions and Senate Resolutions be adopted; and all House Joint Resolutions be concurred in, which motion prevailed by the following vote:

Ayes	28
Noes	0

Senators voting aye were: Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Crowe, Crutchfield, Dixon, Ford, Fowler, Graves, Harper, Haynes, Henry, Herron, Ketron, Kilby, Kurita, Kyle, McLeary, Miller, Norris, Person, Ramsey, Southerland, Williams and Mr. Speaker Wilder--28.

A motion to reconsider was tabled.

CONSENT CALENDAR NO. 2

Objections having been raised, the following bills were placed at the heel of the calendar for Monday, March 22, 2004, pursuant to Rule 38: **Senate Bill No. 2485**.

Senate Bill No. 2119 -- Alcoholic Beverages -- Authorizes Hunter Museum of American Art in Hamilton County to be licensed as a museum to sell alcoholic beverages for consumption on the premises; restrictions for sale at museums include no beverages sold during regular operating hours when open to general public except at restaurant located on premises or at special fund-raising events by invitation or where admission is charged. Amends TCA Section 57-4-102.

Senate Bill No. 2406 -- Sunset Laws -- Advisory council on teacher education and certification, June 30, 2008. Amends TCA Title 4, Chapter 29 and Title 49, Chapter 5.

On motion, Senate Bill No. 2406 was made to conform with **House Bill No. 2487**.

On motion, House Bill No. 2487, on same subject, was substituted for Senate Bill No. 2406.

Senate Bill No. 2694 -- Alcoholic Beverages -- Defines "special historic district" for the authorization of serving and consumption of wine; authorizes service and consumption of alcoholic beverages at South Main Historic Arts District. Amends TCA Title 57, Chapter 4.

Senate Bill No. 3166 -- Clerks, Court -- Allows county clerk of Blount County to continue to serve as clerk of the court with probate jurisdiction. Amends TCA Title 18, Chapter 6, Part 1.

On motion, Senate Bill No. 3166 was made to conform with **House Bill No. 3130**.

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On motion, House Bill No. 3130, on same subject, was substituted for Senate Bill No. 3166.

Senate Bill No. 3167 -- County Government -- Exempts library books, recordings and materials from the requirement in the County Purchasing Act of 1957 that all county personal property that is surplus, obsolete or unusable must be sold at public auction or by sealed bid. Amends TCA Title 5, Chapter 14.

Senate Resolution No. 127 -- General Assembly, Confirmation of Appointment -- James L. Murphy III, Board of Trustees of University of Tennessee.

Senate Resolution No. 128 -- General Assembly, Confirmation of Appointment -- Dr. Katherine H. Greenberg, Board of Trustees of University of Tennessee.

Senate Joint Resolution No. 718 -- Naming and Designating -- Designates McMinnville as "The Photography Capital of Tennessee".

House Joint Resolution No. 944 -- Naming and Designating -- April 2004, National Child Abuse Prevention Month.

Senator Crowe moved that all Senate Joint Resolutions and Senate Resolutions be adopted; all House Joint Resolutions be concurred in; and all Senate Bills and House Bills be passed on third and final consideration, which motion prevailed by the following vote:

Ayes 29
Noes 0

Senators voting aye were: Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Ford, Fowler, Graves, Harper, Haynes, Henry, Herron, Ketron, Kilby, Kurita, Kyle, McLeary, McNally, Miller, Norris, Person, Ramsey, Williams and Mr. Speaker Wilder--29.

A motion to reconsider was tabled.

LOCAL BILL
CONSENT CALENDAR

Senate Bill No. 3477 -- Toone -- Subject to local approval, changes the election date for mayor and aldermen from the first Thursday in June 2004 to the regular November election in 2004, and every fourth year thereafter. Amends Chapter 414 of the Acts of 1903; as amended.

Senator Crowe moved that **Senate Bill No. 3477** be passed on third and final consideration, which motion prevailed by the following vote:

Ayes 28
Noes 0

Senators voting aye were: Beavers, Bryson, Burchett, Burks, Clabough, Crowe, Crutchfield, Dixon, Ford, Fowler, Graves, Harper, Haynes, Henry, Herron, Ketron, Kilby, Kurita, Kyle, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland, Williams and Mr. Speaker Wilder--28.

A motion to reconsider was tabled.

CALENDAR

Senator Kyle moved that **Senate Bill No. 3212** be moved five places down on the calendar for today, which motion prevailed.

Senate Bill No. 3133 -- Child Custody and Support -- Requires that child support guidelines treat equally all children of an obligor parent. Amends TCA Title 36.

Senator Person moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting all language after the enacting clause and by substituting instead the following language:

SECTION 1. Tennessee Code Annotated, Section 36-5-101(e)(4), is amended by deleting the subdivision and by substituting instead the following:

(4)(A) In addition to any other subtractions, calculations of net income under the guidelines shall take into consideration the support of any other children the obligor is legally responsible to provide. The court shall consider children of the obligor who are not included in a decree of child support, but for whom the obligor is legally responsible to provide support and is supporting for the purposes of reducing the obligor's net income, in calculating the guideline amount, or as a reason for deviation from the guidelines.

(B) In calculating amounts of support for children under the guidelines, the court shall allocate an obligor's financial child support responsibility from the obligor's income among all children of the obligor for whom the obligor is legally responsible to provide support and is supporting, in a manner that gives equitable consideration as defined by the department's child support guidelines, to the children for whom support is being set in the case before the court and to any other children for whom the obligor is legally responsible and is supporting. The court shall require that payments made out of that allocation for all children of the obligor for whom the obligor is legally responsible and is supporting, be made upon such consideration. Guidelines promulgated by the department shall be consistent with the provisions of this item.

SECTION 2. Tennessee Code Annotated, Section 36-5-101(a)(1), is amended by designating the existing language as item (a)(1)(A) and by adding the following as item (a)(1)(B):

(B)(i) Notwithstanding the provisions of subitem (ii) and § 36-5-103(f), for the purposes of this chapter, the birth or adoption of another child for whom an obligor is legally responsible to support and is supporting shall constitute a substantial and material change of circumstances for seeking a review of the existing order to determine if the addition of such child, and any credits applicable for the addition of such child under the department's child support guidelines, would result in a significant variance under such guidelines. If the significant variance is

demonstrated by the review, the amount of an existing child support order may be modified by the court.

(ii) For purposes of this chapter, the significant variance established by the Department of Human Services pursuant to the child support guidelines shall provide a lower threshold for modification of child support orders for persons whose adjusted gross incomes are within low income categories established by the department's child support guidelines. The significant variance involving low income persons shall be established by rule of the department at no more than seven and one half percent (7½%) of the difference between the current child support order and the amount of the proposed child support order.

SECTION 3. This act shall take effect upon becoming law, the public welfare requiring it.

On motion, Amendment No. 1 was adopted.

Thereupon, **Senate Bill No. 3133**, as amended, passed its third and final consideration by the following vote:

Ayes	27
Noes	0
Present, not voting . . .	1

Senators voting aye were: Beavers, Bryson, Burchett, Burks, Clabough, Crowe, Crutchfield, Dixon, Ford, Fowler, Graves, Harper, Haynes, Henry, Herron, Ketron, Kilby, Kurita, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland, Williams and Mr. Speaker Wilder--27.

Senator present and not voting was: Kyle--1.

A motion to reconsider was tabled.

Mr. Speaker Wilder moved that **Senate Bill No. 3391** be placed on the calendar for Thursday, March 25, 2004, which motion prevailed.

Senate Bill No. 3398 -- State Government -- Exempts certain employees of the Department of Transportation's office of incident management from certain overtime provisions. Amends TCA Section 4-4-105(c).

Senate Bill No. 3398 passed its third and final consideration by the following vote:

Ayes	29
Noes	0

Senators voting aye were: Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Ford, Fowler, Graves, Harper, Haynes, Henry, Herron, Ketron, Kilby, Kurita, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland, Williams and Mr. Speaker Wilder--29.

THURSDAY, MARCH 18, 2004 -- 71ST LEGISLATIVE DAY

A motion to reconsider was tabled.

Senate Bill No. 3403 -- Transportation, Dept. of -- Grants commissioner emergency contracting authority in event of transportation system failure or other emergency that presents hazard to the traveling public or significant delay in transportation.

Senate Bill No. 3403 passed its third and final consideration by the following vote:

Ayes	29
Noes	0

Senators voting aye were: Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Ford, Fowler, Graves, Harper, Haynes, Herron, Ketron, Kilby, Kurita, Kyle, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland, Williams and Mr. Speaker Wilder--29.

A motion to reconsider was tabled.

Mr. Speaker Wilder moved that **Senate Bill No. 3432** be placed on the calendar for Thursday, March 25, 2004, which motion prevailed.

Senate Bill No. 3447 -- Biocides and Herbicides -- Requires sales of pesticides classified by Commissioner of Agriculture as being for restricted use, only to persons holding and who show proof of valid certificate or license issued by the department; increases penalty from Class C to Class A misdemeanor for certain violations.

On motion, Senate Bill No. 3447 was made to conform with **House Bill No. 3543**.

On motion, House Bill No. 3543, on same subject, was substituted for Senate Bill No. 3447.

Thereupon, **House Bill No. 3543** passed its third and final consideration by the following vote:

Ayes	29
Noes	0

Senators voting aye were: Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Ford, Fowler, Graves, Harper, Haynes, Henry, Herron, Ketron, Kilby, Kurita, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland, Williams and Mr. Speaker Wilder--29.

A motion to reconsider was tabled.

Senate Bill No. 3212 -- Lottery, Charitable -- Enacts the "Tennessee Charitable Gaming Implementation Law".

On motion of Senator Cohen, Amendment No. 1 was withdrawn.

Senator Cohen moved that Amendments Nos. 48, 56 and 57 be placed behind Amendment No. 30, which motion prevailed.

THURSDAY, MARCH 18, 2004 -- 71ST LEGISLATIVE DAY

Senator Kyle moved that Amendment No. 58 be placed behind Amendment No. 57, which motion prevailed.

Senator Kyle moved that Amendment No. 30 be considered next, which motion prevailed.

Senator Kyle moved to amend as follows:

AMENDMENT NO. 30

AMEND by deleting all of the language after the enacting clause and by substituting instead the following:

SECTION 1. This act shall be known and may be cited as the "Tennessee Charitable Gaming Implementation Law".

SECTION 2. Tennessee Code Annotated, Title 3, is amended by adding the following language as a new chapter:

Section 3-17-101. As used in this chapter, unless the context otherwise requires:

(1) "501(c)(3) organization" means an entity which is exempt from federal income taxation under §501(a) of the Internal Revenue Code as an organization described in §501(c)(3) and, for the limited purposes of this chapter, an entity which has been in continuous and active existence for five (5) years immediately preceding the event date listed in an annual event application and has been exempt from federal income taxation under §501(a) of the Internal Revenue Code as an organization described in any subdivision of §501(c) but, prior to submission of an annual event application, has received exemption from federal taxation as an organization described in §501(c)(3);

(2) "Annual event" means an event:

(A) Authorized by two-thirds vote of all members elected to each house of the general assembly;

(B) Operated for the benefit of a §501(c)(3) organization located in Tennessee;

(C) Conducted with a single type of lottery game;

(D) Conducted on an event date; and

(E) Conducted at one (1) location within a county where the organization maintains a physical presence;

(3) "Annual event application" means the application made to the secretary to operate an annual event;

(4) "Event date" means the day of an annual event. For the purposes of this item, "day" means a twenty-four-hour period beginning at twelve o'clock (12:00) midnight and ending at eleven fifty-nine post meridian (11:59 p.m.);

(5) "Financial accounting" means a report of funds collected and expended for the annual event which is filed after completion of an annual event;

(6) "Person" means any individual, organization, trust, foundation, group, association, partnership, limited liability company, corporation, society, or any combination of them, or any other entity;

(7) "Secretary" means the secretary of state or the secretary of state's authorized representative; and

(8) "Type of lottery game" means a game of chance played by any person eighteen (18) years of age or older, including, but not limited to, raffles and cakewalks, but expressly prohibiting bingo, video lottery and games of chance associated with casinos, including, but not limited to, slot machines, roulette wheels, and the like. For the purpose of this item, "bingo" means a specific game of chance in which participants use cards or paper sheets divided into horizontal and vertical spaces, each of which is designated by a letter and a number, and prizes are awarded on the basis of the letters and numbers on the card conforming to a predetermined and preannounced configuration of letters and numbers selected at random. For the purposes of this item, "video lottery" means a lottery that allows a game to be played utilizing an electronic computer and an interactive terminal device, equipped with a video screen and keys, a keyboard or other equipment allowing input by an individual player, into which the player inserts coins or currency as consideration in order for play to be available, and through which terminal device, the player may receive free games or a voucher that can be redeemed for a cash or non-cash prize, or nothing, determined wholly or predominantly by chance.

Section 3-17-102. (a)(1) A §501(c)(3) organization seeking to operate an annual event for the benefit of such organization located in this state shall submit an annual event application to the secretary prior to April 6, 2004, and prior to January 1 in any subsequent year. Annual event applications shall not be considered submitted to the secretary until in the physical possession of the secretary as evidenced by the secretary's date and time endorsement on such documentation.

(2) A §501(c)(3) organization shall have been in continuous and active existence as a §501(c)(3) organization located in Tennessee for at least five (5) years immediately preceding the event date listed in the annual event application.

(3)(A) A §501(c)(3) organization, including chapters or affiliates operating under the same tax exemption, shall not operate more than one (1) annual event within any twelve-month period beginning July 1 and ending June 30.

(B) An annual event shall be operated at a single location within a county in Tennessee where the §501(c)(3) organization has a physical presence, as disclosed pursuant to §3-17-103(a)(2)(A). Such location shall be listed as the location of the annual event in the annual event application pursuant to §3-17-103(a)(16). No more than one (1) annual event shall be held at the same location in each county during any annual event period. For the purposes of this item, "location" means a single physical site in a county identified by an address or unique descriptive feature. Nothing in this subsection (a)(3)(B) shall be construed to limit the ability of an organization to sell tickets, shares, chances or similar records for an authorized annual event in any political subdivision of this state.

(4) A §501(c)(3) organization may operate an annual event in conjunction with one (1) or more §501(c)(3) organizations under the following circumstances:

(A) Each §501(c)(3) organization files an independent annual event application, including, but not limited to, the appropriate application fee, in accordance with the provisions of this chapter;

(B) Each §501(c)(3) organization submits, with the annual event application, a joint statement of authorization indicating the intention to conduct a joint annual event and listing all organizations participating in such joint event; and

(C) Each §501(c)(3) applicant is in compliance with the provisions of this chapter and is eligible for inclusion on the omnibus list.

If one (1) or more §501(c)(3) organizations are not eligible for inclusion on the omnibus list, or fails to timely file an annual event application, all applicants for a joint annual event shall be excluded from the omnibus list. No provision of this subdivision shall be construed as authorizing a §501(c)(3) organization participating in a joint event to operate, participate or conduct, jointly or otherwise, more than one (1) annual event within any twelve-month period beginning July 1 and ending June 30.

(5)(A) Except as otherwise provided in this subdivision, a §501(c)(3) organization authorized to conduct an annual event pursuant to the provisions of this chapter shall not employ, contract with, or otherwise utilize the services of any person, including, but not limited to, any management company, consultant or other entity, to manage, conduct or operate any aspect of an annual event. An authorized annual event shall be managed, conducted and operated only by bona fide directors, officers or employees of a §501(c)(3) organization who:

(i) Manage, conduct or operate only one (1) such annual event in any twelve-month period beginning on July 1 and ending on June 30 each year for any §501(c)(3) organization; and

(ii) Receive no compensation for duties associated with the annual event from the proceeds of the annual event except compensation otherwise due to such person in the normal course of business. In no event shall such person's normal compensation, or any other form of compensation or benefit, including, but not limited to, any bonus payment or any other form of supplemental payment, be based upon or determined by reference to a percentage of the proceeds derived from the operation of the annual event, the number of people participating in the annual event or any other factor related to the annual event.

Unpaid volunteer personnel, including members of a §501(c)(3) organization, may be utilized by a §501(c)(3) organization to manage, conduct or operate an annual event.

(B) Nothing in this subdivision or §39-17-654(b) shall be construed as prohibiting a §501(c)(3) organization from purchasing, leasing or accepting donations of prizes, facilities, locations, advertising services, printing services, telephone services and any records, devices or other supplies necessary to conduct an authorized annual event; provided that the compensation paid for such purchases or leases shall not be at a price greater than fair market value and shall not be based on a percentage of the proceeds of an annual event or by any other contingency agreement based on the proceeds of an annual event. No §501(c)(3) organization shall purchase, lease or accept donations of prizes, facilities, locations, advertising services, printing services, telephone services and any records, devices or other supplies necessary to conduct an authorized annual event from any person, company, corporation or other business entity which:

(i) Has been convicted in this state or in another jurisdiction of a felony within a period of ten (10) years preceding the date of the annual event for which such goods or services would be offered or provided to such §501(c)(3) organization; or

(ii) Has had a civil judgment rendered against such person or entity and such judgment has not been satisfied, or which has an officer, board member, substantial partner, substantial stockholder or agent who has had a civil judgment rendered against such person or entity and such judgment has not been satisfied. For the purpose of this item, "substantial stockholder" or "substantial partner" means a stockholder of a corporation or partner in the entity who owns an interest of ten percent (10%) or more of the partnership or of the capital stock of a corporation.

A §501(c)(3) organization shall request an affidavit from any such person or entity affirming compliance with the provisions of this subsection (a)(5)(B) and such person or entity shall certify under oath

and subject to criminal penalties including perjury that such person or entity is in compliance with the provisions of this subsection (a)(5)(B). Notwithstanding any provision of this chapter to the contrary, a §501(c)(3) organization that violates the provisions of this subsection (a)(5)(B) shall be disqualified from submitting an annual event application for a period of one (1) year; provided that upon a second violation of the provisions of this subsection, a §501(c)(3) organization shall be permanently disqualified from submitting annual event applications.

(6) A §501(c)(3) organization authorized to conduct an annual event pursuant to the provisions of this chapter shall return to such organization for the purposes or programs described in §3-17-103(a)(19) all of the gross proceeds, less any amount expended pursuant to §3-17-102(a)(5)(B).

(b) The secretary shall review all annual event applications timely submitted and shall by April 26, 2004, and by March 1 in any subsequent year, transmit an omnibus list of qualifying applicants to the Clerk of the Senate and the Clerk of the House of Representatives in an electronic format as is required by the respective clerks. Such omnibus list shall include, at a minimum, the name of the §501(c)(3) organization, the name of the event, the type of lottery game, the event date for the event and the location of the event. Such omnibus list shall list §501(c)(3) organizations alphabetically by county in which the annual event is proposed to be operated.

(c) Upon authorization by the general assembly, the clerk of the house last approving such authorization shall transmit a copy of such authorization to the secretary and to each district attorney general. The secretary shall transmit such authorization to each authorized §501(c)(3) organization at the mailing address listed in such organization's annual event application; provided that in the case of an organization with multiple chapters, branches or affiliates in Tennessee, such authorization shall be transmitted only to the primary mailing address of the applicant. Such authorization shall be posted on the web site of the secretary with such additional information as the secretary deems appropriate. At a minimum, the secretary shall post the name of the §501(c)(3) organization, the name of the event, the type of lottery game, the event date for the event and the location of the event.

(d)(1)(A) An authorized annual event shall be held within fourteen (14) calendar days of the event date listed in the annual event application; provided that nothing herein shall be construed as allowing two (2) annual events in any one-year period.

(B) A §501(c)(3) organization shall give notice to each chief law enforcement officer of the county or municipality in which the annual event shall be conducted one hundred thirty (130) days prior to the event date listed in the annual event application; provided that if the event date is within one hundred thirty (130) days from notification of authorization to conduct an annual event, the §501(c)(3) organization shall immediately, upon receipt of such notification and prior to the commencement of selling any tickets, shares, chances or similar records, give notice to the chief law enforcement officer of the county

or municipality in which the annual event shall be conducted. In accordance with subsection (d)(1)(A), if the actual event date is different than the event date listed in the annual event application, a §501(c)(3) organization shall give an additional notice to each chief law enforcement officer of the county or municipality in which the annual event shall be conducted prior to conducting the annual event. For the purposes of this item, "notice" means a letter sent by certified mail, or by actual physical delivery of a letter to the chief law enforcement officer or such officer's designee, containing, at a minimum, the following information:

- (i) The name of the §501(c)(3) organization;
- (ii) The name of the event;
- (iii) The location of the event, including the physical address where the annual event will be conducted;
- (iv) The type of lottery game to be conducted;
- (v) The event date for the event listed in the annual event application;
- (vi) If applicable, the actual event date for the annual event if different than the event date listed in the annual event application;
- (vii) The name, address and telephone number of the §501(c)(3) organization's chair, president or chief administrative officer; and
- (viii) If applicable, the name, address and telephone number of the person responsible for the operation of the annual event for the §501(c)(3) organization, if different than the organization's chair, president or chief administrative officer.

(2) Except as provided in subdivision (3), upon receipt of authorization from the secretary pursuant to subsection (c), a §501(c)(3) organization may conduct all necessary activities for such event, including, but not limited to, planning, advertising, promoting, printing of materials and tickets, shares, chances or similar records and the transportation of such records and other devices.

(3) A §501(c)(3) organization, or any person authorized pursuant to §3-17-102(a)(5)(A) on behalf of the §501(c)(3) organization, may sell tickets, shares, chances or similar records for one hundred twenty (120) days immediately preceding the event date listed in the application and for any period after the event date listed in the annual event application but prior to the actual date of the annual event if such actual date is after the event date in

accordance with the provisions of subdivision (1). No person shall sell tickets,

shares, chances or similar records outside of the period authorized by this subdivision (d)(3).

(e)(1) Within ninety (90) days following the event date listed in the annual event application, a financial accounting as required pursuant to the provisions of §3-17-105 shall be submitted by the organization to the secretary.

(2) A financial accounting shall not be considered submitted to the secretary until in the physical possession of the secretary as evidenced by the secretary's date and time endorsement on such documentation.

(3) The secretary shall post such accounting, or a synopsis of such accounting, on the web page of the secretary.

Section 3-17-103. (a) All annual event applications shall be submitted to the secretary prior to April 6, 2004, and prior to January 1 in any subsequent year, and shall include:

(1) The name of the §501(c)(3) organization and the purpose for which it was organized;

(2)(A) The physical address, in Tennessee, of the §501(c)(3) organization; provided that if the organization has multiple chapters or affiliates in Tennessee operating under the same tax exemption, the physical addresses of such multiple locations. For the purposes of this chapter, a post office box, or similar address at a mail or package delivery service, shall not be considered a physical address; and

(B) If the principal office of the §501(c)(3) organization is outside Tennessee, the physical address of such principal office;

(3)(A) The mailing address, in Tennessee, of the §501(c)(3) organization; for the purposes of this chapter, such mailing address shall serve as the primary mailing address of the applicant; provided that if the organization has multiple chapters or affiliates in Tennessee operating under the same tax exemption, the mailing addresses of such multiple locations; and

(B) If the principal office of the §501(c)(3) organization is outside Tennessee, the mailing address of such principal office;

(C) The §501(c)(3) organization shall designate a named person who is a citizen of Tennessee to receive process at the primary mailing address of the applicant. The name of such person shall be listed in the annual event application;

(4)(A) The telephone number, in Tennessee, of the §501(c)(3) organization or its chair, president or chief administrative officer; and

(B) If the principal office of the §501(c)(3) organization is outside Tennessee, the telephone number of such principal office;

(5) The place where, and the date when, the organization was legally established and documentation from the Internal Revenue Service recognizing the §501(c)(3) organization's tax exempt status. Such documentation shall be supported by an affidavit from the §501(c)(3) organization's chair, president or chief administrative officer affirming that the organization's §501(c)(3) status has not been revoked;

(6) A copy of organizational documents and any other documents that prove to the satisfaction of the secretary that the §501(c)(3) organization has been in continuous and active existence as a §501(c)(3) organization located in Tennessee for at least five (5) years immediately preceding the event date listed in the annual event application. Such documentation shall be supported by an affidavit from the §501(c)(3) organization's chair, president or chief administrative officer affirming that the organization has been in continuous and active existence in Tennessee for at least five (5) years immediately preceding the event date listed in the annual event application;

(7) A copy of the §501(c)(3) organization's Internal Revenue Service Form 1023, including any attached schedules. If a §501(c)(3) organization has requested a duplicate copy of such Form 1023 from the Internal Revenue Service, an affidavit from the §501(c)(3) organization's chair, president or chief administrative officer affirming that such organization has, in the past, filed a Form 1023 with the Internal Revenue Service and, subsequently, requested a duplicate copy of such Form 1023 from the Internal Revenue Service. Upon receipt of such Form 1023, the §501(c)(3) organization shall file a copy with the secretary; provided that nothing in this subsection (a)(7) shall be construed to exclude a §501(c)(3) organization from inclusion on the omnibus list so long as an affidavit in accordance with this subsection (a)(7) is filed with the annual event application;

(8)(A) For annual event applications submitted prior to January 1, 2005:

(i) A copy of the §501(c)(3) organization's last five (5) annual reports filed with the Internal Revenue Service (Form 990, 990-EZ, or 990-PF) and any attached schedules for the five-year period immediately preceding the annual event application; or

(ii) If such organization has not filed any such annual reports with the Internal Revenue Service or has not filed five (5) consecutive annual reports for the five-year period immediately preceding the annual event application, an affidavit from the §501(c)(3) organization's chair, president or chief administrative officer affirming that the organization has not filed any annual reports or has not filed five (5) consecutive annual reports and shall begin to file annual reports as required by the provisions of this chapter. In addition, any such organization shall submit copies of any annual reports filed with the Internal Revenue Service within the five-year period preceding the application;

(B) For annual event applications submitted between January 1, 2005, and December 31, 2009:

(i) A copy of the §501(c)(3) organization's last five (5) annual reports filed with the Internal Revenue Service (Form 990, 990-EZ, or 990-PF) and any attached schedules for the five-year period immediately preceding the annual event application; or

(ii) If such organization has not filed five (5) consecutive annual reports for the five-year period immediately preceding the annual event application, a copy of the §501(c)(3) organization's annual report filed with the Internal Revenue Service (Form 990, 990-EZ, or 990-PF) for the preceding year and any attached schedules and copies of any other annual reports filed with the Internal Revenue Service within the five-year period preceding the application;

(C) For annual event applications submitted on and after January 1, 2010, a copy of the §501(c)(3) organization's last five (5) annual reports filed with the Internal Revenue Service (Form 990, 990-EZ, or 990-PF) and any attached schedules for the five-year period immediately preceding the annual event application;

(9) A waiver of privacy rights, on a form provided by the secretary, which will allow posting of documents on the secretary's website and inspection by any member of the public of tax forms and documents filed pursuant to this chapter;

(10) The names and addresses of the officers, directors, trustees, and the principal salaried executive staff officer of the §501(c)(3) organization;

(11) A statement that no officer, director, trustee, or the principal salaried executive staff officer of the §501(c)(3) organization has been convicted of a violation of §39-16-702, §39-16-703, Title 39, Chapter 17, Parts 5 or 6 or a similar offense in another jurisdiction;

(12) A copy of the minutes from the meeting of the §501(c)(3) organization indicating the intent to operate an annual event if authorized by the general assembly. Such minutes shall reflect an affirmative vote by a majority of the directors or officers of the organization to operate such annual event. In lieu of a copy of the minutes, an affidavit signed by all directors or officers of the organization indicating the intent to operate an annual event if authorized by the general assembly;

(13) The name of the annual event;

(14)(A) The single type of lottery game to be conducted and a description of the game; and

(B) The estimated number of tickets, shares, chances or other similar records to be offered and the actual dollar amount at which a ticket, share, chance or other similar record shall be sold;

(15) The event date; provided that the event date shall be selected within a twelve-month period beginning July 1 following the application deadline and ending the next June 30;

(16) The location of the annual event including, at a minimum, the county in which the annual event would be conducted. Such location shall be in a county where the §501(c)(3) organization has a physical presence in Tennessee;

(17) If applicable, the event date of the last annual event held, or to be held, by the organization;

(18) If applicable, in accordance with §3-17-102(a)(4)(B), a joint statement of authorization indicating the intention to conduct a joint annual event and listing all organizations participating in such joint event. For the purposes of this subdivision, the applicant shall list each organization which will participate in the joint event and shall include each such organization's physical address and mailing address in Tennessee;

(19) The charitable, religious, educational, scientific or other humanitarian purposes or programs for which the funds derived from the annual event shall be used;

(20) The names of the individuals or officers of the organization who will have final responsibility for the custody of the funds derived from the annual event;

(21) The names of the individuals or officers of the organization responsible for the final distribution of the funds derived from the annual event; and

(22) The appropriate application fee.

(b) The secretary shall develop a uniform application form for annual event applications. The secretary is encouraged to utilize, to every extent possible, web-based forms and procedures for annual event applications.

(c)(1) An application fee shall be paid at the time of submission of an annual event application. Annual event applications shall not be accepted by the secretary unless accompanied by the appropriate application fee.

(2) The secretary shall establish a reasonable fee for annual event applications not to exceed five hundred dollars (\$500). Fees collected under the provisions of this chapter shall be used by the secretary to defray the cost of administering this chapter.

(3) Annual event application fees are non-refundable.

(d) All annual event applications shall be signed by the §501(c)(3) organization's chair, president or chief administrative officer and the preparer of the application. Such persons shall certify under oath and subject to criminal penalties including perjury that the information contained in the annual event application is true and accurate.

Section 3-17-104. (a) The secretary shall examine each annual event application submitted under this chapter for inclusion on the omnibus list. An annual event shall be included on the omnibus list if:

(1) All annual event application filing requirements of § 3-17-103 are met;

(2) The secretary determines that the §501(c)(3) organization has been recognized by the Internal Revenue Service as a tax exempt §501(c)(3) organization and that such exemption is valid at the time of filing an annual event application;

(3) The secretary determines that the §501(c)(3) organization has been in continuous and active existence as a §501(c)(3) organization located in Tennessee for at least five (5) years immediately preceding the event date listed in the annual event application; and

(4) The type of lottery game is authorized by the provisions of this chapter and Article XI, Section 5 of the Constitution of Tennessee.

(b) The secretary shall establish rules and regulations concerning the acceptance of amendments to annual event applications otherwise consistent with the provisions of this chapter including, but not limited to, amendments concerning conflicting locations for an annual event.

(c) The secretary shall include all qualified annual event applicants on an omnibus list to be transmitted to the general assembly pursuant to the provisions of §3-17-102(b).

(d)(1) No extension of time shall be granted for submission, or completion, of an annual event application after the application deadline has passed for the appropriate annual event period.

(2) In accordance with the provisions of §3-17-102(a)(1), the secretary shall have no authority to accept, and shall not accept, an annual event application, or an amendment thereto, submitted after the application deadline has passed for the appropriate annual event period.

(e) An annual event application may be permanently withdrawn prior to the date of transmission of the omnibus list to the general assembly; provided that once withdrawn, the §501(c)(3) organization may not resubmit an annual event application for the annual event period in which the previously submitted application was withdrawn.

(f) If an annual event application is not included in the omnibus list, the secretary shall transmit notification to the applicant stating the basis for such non-inclusion. The secretary shall transmit such notice to the applicant at the primary mailing address listed in such applicant's annual event application.

(g) An applicant whose application is not included in the omnibus list may request in writing that the secretary reconsider the determination; provided that such written request is filed with the secretary within ten (10) calendar days from the date of notification of non-inclusion. The secretary shall reconsider such determination and issue a final decision within ten (10) calendar days of receipt of such written request for reconsideration.

(h)(1) Review of final decisions of the secretary shall be heard by the Tennessee claims commission in accordance with rules and regulations promulgated by the commission. It is the intent of the general assembly that reviews pursuant to this subsection shall be heard on an expedited basis. The venue for any such review shall be in the middle division of the Tennessee Claims Commission.

(2) A petition for review shall be filed not later than ten (10) calendar days after issuance of the final decision by the secretary. Copies of the petition shall be served upon the secretary and the attorney general and reporter.

(3) The review shall be conducted by the claims commission on the small claims docket pursuant to § 9-8-403 and shall be confined to the record of proceedings before the secretary.

(4) The claims commission shall issue written findings of fact as to whether the secretary's decision was:

(A) Clearly erroneous; or

(B) Arbitrary and capricious.

(5) The claims commission shall have no authority to award monetary damages in any review made pursuant to this section.

Section 3-17-105. (a) An organization authorized by the general assembly to operate an annual event shall, within ninety (90) days following the event date listed on the annual event application, file a financial accounting with the secretary in accordance with the provisions of this section.

(b) For events grossing thirty thousand dollars (\$30,000) or less, the organization shall file a financial accounting, on a form prescribed by the secretary, showing the following:

(1) The gross amount of money received from the annual event;

(2) The amount of money expended by the organization, including, for amounts exceeding two hundred fifty dollars (\$250), the name and address of the payee, the category of expense and the amount expended;

(3) The amount of money disbursed, or to be disbursed, to the charitable programs or purposes of the §501(c)(3) organization including, but not limited to, sufficient documentation indicating that all of the gross proceeds, less any amount expended pursuant to §3-17-102(a)(5)(B), have been used, or have been earmarked, for the purposes or programs described in §3-17-103(a)(19); and

(4) A list of all prize winners, including their names and addresses, of cash, goods or services valued at more than fifty (\$50.00) and the prize received.

(c) For events grossing more than thirty thousand dollars (\$30,000), the organization shall file an audited financial statement prepared by an independent certified public accountant or an independent public accountant, on a form prescribed by the secretary, showing the following:

(1) The gross amount of money received from the proceeds of the annual event;

(2) The amount of money disbursed, or to be disbursed, to the charitable programs or purposes of the §501(c)(3) organization including, but not limited to, sufficient documentation indicating that all of the gross proceeds, less any amount expended pursuant to §3-17-102(a)(5)(B), have been used, or have been earmarked, for the purposes or programs described in §3-17-103(a)(19); and

(3) An itemized list, including the name and address of the payee, of the amounts spent for all expenses; provided that individual expenses of two hundred fifty dollars (\$250) or less may be listed as miscellaneous expenses, by category, so long as the aggregate sum of all miscellaneous expenses is less than seven thousand five hundred dollars (\$7,500); and

(4) A list of all prize winners, including their names and addresses, of cash, goods or services valued at more than fifty dollars (\$50.00) and the prize received.

(d) In the case of an annual event held jointly by two (2) or more §501(c)(3) organizations as provided in §3-17-102(a)(4), the financial accounting filed pursuant to this section shall be based on the gross amount of money jointly received and shall, in addition to the applicable requirements of subsection (b) or (c), show the amount disbursed, or to be disbursed, to each participating §501(c)(3) organization. Such organizations may file the same financial accounting provided that the signature requirements of subsection (e) are satisfied.

(e) All financial accountings required by this section shall be signed by the chair, president or chief administrative officer of the §501(c)(3) organization and the preparer of the report. Such persons shall certify under oath and subject to criminal

penalties including perjury that the information contained therein is a true and accurate accounting of the funds received and expended during operation of the annual event.

(f) A §501(c)(3) organization that has received authorization to conduct an annual event, may, at the discretion of the organization, cancel an annual event; provided that:

(1) An affidavit from the §501(c)(3) organization's chair, president or chief administrative officer is filed with the secretary and the chief law enforcement officer of the county or municipality stating that the annual event is cancelled, and the nature of the cancellation, within ten (10) calendar days of the decision to cancel the event. Such cancellation shall be posted on the website of the secretary. Notwithstanding any provision of this chapter to the contrary, if an annual event is cancelled, no other notice to the chief law enforcement officer of the county or municipality or a financial accounting shall be required except as provided in subdivision (2) of this subsection; and

(2) If cancellation occurs after the commencement of sale of tickets, shares, chances or similar records, a full refund is offered for at least ninety (90) days following cancellation. A §501(c)(3) organization shall give reasonable public notice of cancellation in the area in which tickets, shares, chances or similar records were sold including the terms of the refund offered. Such terms shall be included in the affidavit required pursuant to subdivision (1) of this subsection including a mailing or physical address to submit a refund claim and, within ninety (90) days of cancellation, the organization shall file an accounting of tickets sold, refunds made and ticket proceeds remaining with the secretary and the chief law enforcement officer of the county or municipality. Any remaining ticket proceeds shall be used in furtherance of the charitable purposes or programs described in §3-17-103(a)(19) of the organization's annual event application.

No annual event cancelled pursuant to the provisions of this subsection may be conducted during the annual event period.

Section 3-17-106. Applications, reports, and all other documents and information required to be filed under this chapter, or by the secretary, shall be public records in the office of the secretary. The secretary, in the secretary's discretion, may compile, summarize, publish, or otherwise release to the public any information contained in applications and any other documents filed with or received by the secretary under this chapter.

Section 3-17-107. (a) Every §501(c)(3) organization subject to the provisions of this chapter and the rules and regulations prescribed by the secretary, shall keep:

(1) True and accurate fiscal records, including, but not limited to, all income and expenses; and

(2) True and accurate records regarding the conduct of any annual event, including records of any documents, information, notices, or applications required to be prepared or filed pursuant to this chapter. Unless

otherwise provided, such records shall be retained for a period of at least five (5) years after the event date to which they relate.

(b) Upon request and at a reasonable time and place within Tennessee, such records, as well as any other records regarding annual events within this state, shall be made available to the secretary, the charitable gaming oversight committee on the Tennessee education lottery corporation, the attorney general and reporter, or an appropriate district attorney general for inspection.

Section 3-17-108. (a) No ticket, share, chance or similar record shall be purchased by and no prize or award shall be paid to:

(1) Any member of the board of directors of a §501(c)(3) organization authorized by the general assembly to operate an annual event for such organization;

(2) Any officer or employee of a §501(c)(3) organization authorized by the general assembly to operate an annual event for such organization; or

(3) To any member of the immediate family of any person described in subsections (a)(1) or (a)(2) residing as a member of the same household in the principal place of residence of any such person.

(b)(1) No ticket, share, chance or similar record shall be purchased by, and no prize or award shall be paid to, any member of the general assembly during such member's term of office as a member of the general assembly.

(2) No ticket, share, chance or similar record shall be purchased by, and no prize or award shall be paid to, the secretary or any employee of the secretary during the secretary's term of office and such employee's term of employment with the secretary.

(c) No ticket, share, chance or similar record for any specific authorized annual event shall be purchased by, and no prize or award shall be paid to:

(1) Any person providing prizes, facilities, locations, advertising services, printing services, telephone services and any records, devices or other supplies to conduct such specific authorized annual event;

(2) Any officer, employee, agent, subcontractor of any person described in subsection (c)(1); or

(3) To any member of the immediate family of any person described in subsections (c)(1) or (c)(2) residing as a member of the same household in the principal place of residence of any such person.

(d) For the purposes of this section, "immediate family" means a spouse, child, step-child, brother, sister, son-in-law, daughter-in-law, parent or grandparent.

Section 3-17-109. (a) The ticket, share, chance or other similar record shall bear on its face the name of the §501(c)(3) organization on whose behalf the event is being conducted.

(b) All cash prizes or awards exceeding fifty dollars (\$50.00) shall be paid by check from a designated account of the organization to a named individual. In the case of non-cash prizes or awards, payment shall be in the form of goods or services and, if applicable, by an appropriate legal instrument, including, but not limited to deeds, titles and gift certificates. Checks or other legal instruments payable to "cash" or "bearer" are expressly prohibited.

Section 3-17-110. (a) Except as provided in subsection (b), any person who violates any provision of this chapter, or is convicted of a violation of §39-16-702, §39-16-703 or Title 39, Chapter 17, Parts 5 and 6 shall be permanently disqualified from submitting an annual event application.

(b) Any person who fails to timely file a financial accounting pursuant to § 3-17-105, or who is convicted of failing to timely file a financial accounting pursuant to §39-17-655(a)(2), shall be disqualified from submitting an annual event application for a period of five (5) years.

Section 3-17-111. The general assembly, by enacting this act, intends to preempt any other regulation of the area covered by the provisions of this act. No political subdivision or agency may enact or enforce a law, ordinance, resolution or regulation that regulates or prohibits any conduct in the area covered by this act.

SECTION 3. Tennessee Code Annotated, Section 39-17-502, is amended by adding the following language as a new subsection:

(c) It is an affirmative defense to prosecution under this section, which must be proven by a preponderance of the evidence, that a person reasonably and in good faith relied upon the representations of a gambling promoter that a gambling activity was lawful because it was an authorized annual event pursuant to Title 3, Chapter 17, Part 1. It is not an affirmative defense to prosecution under this section that a person engaged in a gambling activity that was not an authorized type of lottery game pursuant to Title 3, Chapter 17, Part 1.

SECTION 4. Tennessee Code Annotated, Section 39-17-505(a), is amended by adding the following language as a new subdivision:

(4) It is not an offense for a person to knowingly own, manufacture, possess, buy, sell, rent, lease, store, repair, transport, print or make any gambling device or record if such device or record is for the purpose of conducting an annual event pursuant to the provisions of Title 3, Chapter 17, Part 1 and Title 39, Chapter 17, Part 6.

SECTION 5. Tennessee Code Annotated, Section 39-17-506(a)(1), is amended by inserting the language "or the sale of tickets, shares, chances or similar records for an annual event pursuant to the provisions of Title 3, Chapter 17, Part 1 and Title 39, Chapter 17, Part 6" between the language "the Tennessee education lottery corporation" and the language "; or".

SECTION 6. Tennessee Code Annotated, Section 39-17-506(a), is amended by adding the following language as a new subdivision:

(3) An annual event operated pursuant to Title 3, Chapter 17, Part 1 and Title 39, Chapter 17, Part 6.

SECTION 7. Tennessee Code Annotated, Section 39-17-601, is amended by adding the following language as a new, appropriately designated item:

() "Annual event" means an event:

(A) Authorized by two-thirds vote of all members elected to each house of the general assembly;

(B) Operated for the benefit of a §501(c)(3) organization located in Tennessee;

(C) Conducted with a single type of lottery game, as defined in §3-17-101(8);

(D) Conducted on an event date, as defined in §3-17-101(4); and

(E) Conducted at one (1) location within a county where the organization maintains a physical presence;

SECTION 8. The Tennessee Code Commission is requested to reserve §§ 39-17-611 - 39-17-650.

SECTION 9. Tennessee Code Annotated, Title 39, Chapter 17, Part 6, is amended by adding the following language as new sections:

Section 39-17-651. (a) It is an offense for any person to knowingly sell annual event tickets, shares, chances or similar records for a period longer than the period authorized pursuant to the provisions of §3-17-102(d)(3).

(b) A violation of this section is a Class C misdemeanor; provided that the maximum fine shall be one thousand dollars (\$1,000) per day in excess of the authorized period.

Section 39-17-652. (a) It is an offense for any person to knowingly conduct more than one (1) annual event for the benefit of the same §501(c)(3) organization within the twelve-month period beginning July 1 following the application deadline and ending the next June 30.

(b) A violation of this section is a Class A misdemeanor; provided, however, that the maximum fine shall be fifty thousand dollars (\$50,000) per event in excess of the authorized annual event.

Section 39-17-653. (a) It is an offense for any person to knowingly conduct an annual event at a location other than the location listed in a §501(c)(3) organization's annual event application pursuant to §3-17-103(a)(16).

(b) It is an offense for any person to knowingly conduct an annual event on a date not authorized pursuant to Title 3, Chapter 17, Part 1.

(c) A violation of this section is a Class C misdemeanor; provided, however, that the maximum fine shall be ten thousand dollars (\$10,000).

Section 39-17-654. (a)(1) It is an offense for any person to knowingly engage in gambling promotion under the pretense of conducting an annual event.

(2) A violation of this subsection is a Class E felony; provided, however, that the maximum fine shall be the greater of:

(A) Fifty thousand dollars (\$50,000); or

(B) The amount of gross proceeds derived from the gambling activity.

(b)(1) It is an offense for any person authorized to conduct an annual event to knowingly employ, contract with, or otherwise utilize the services of any person, management company or consultant to manage, conduct or operate an annual event.

(2) A violation of this subsection is a Class A misdemeanor; provided, however, that the maximum fine shall be fifty thousand dollars (\$50,000).

(c)(1) It is an offense for any person not authorized pursuant to Title 3, Chapter 17, Part 1 to knowingly manage, conduct or operate an annual event for a §501(c)(3) organization.

(2) A violation of this subsection is a Class D felony; provided, however, that the maximum fine shall be the greater of:

(A) Fifty thousand dollars (\$50,000); or

(B) The amount of the consideration obtained for the management, conducting or operation of the annual event.

Section 39-17-655. (a) It is an offense for any person to knowingly:

(1) Fail to file a financial accounting for an annual event as required pursuant to §3-17-105;

(2) Fail to timely file a financial accounting for an annual event as required pursuant to §3-17-105;

(3) Make a material false statement in any application, affidavit or statement made to the secretary of state in an application for an annual event; or

(4) Make a material false entry or statement in a financial accounting which is compiled for an annual event or which is submitted to the secretary of state for an annual event.

(b)(1) A violation of subsection (a)(1) is a Class B misdemeanor; provided, however, that the maximum fine shall be the greater of:

(A) Twenty-five thousand dollars (\$25,000); or

(B) The amount of gross proceeds derived from the annual event.

(2) A violation of subsection (a)(2) is a Class C misdemeanor; provided, however, that the maximum fine shall be the lesser of:

(A) Five thousand dollars (\$5,000); or

(B) The amount of gross proceeds derived from the annual event.

(3) A violation of subsection (a)(3) is a Class A misdemeanor; provided, however, that the maximum fine shall be fifty thousand dollars (\$50,000).

(4) A violation of subsection (a)(4) is a Class A misdemeanor; provided, however, that the maximum fine shall be the greater of:

(A) Fifty thousand dollars (\$50,000); or

(B) The dollar amount of the false entry or statement.

Section 39-17-656. (a) It is an offense for any person to falsely make, alter, forge, pass or counterfeit a ticket, share, chance or similar record for an annual event with the intent to defraud.

(b) It is an offense for any person to knowingly influence, or attempt to influence, the winning of a prize through the use of coercion, fraud, deception, or tampering with an annual event's equipment or materials.

(c)(1) A violation of subsection (a) is a Class A misdemeanor; provided, however, that the maximum fine shall be twenty-five thousand dollars (\$25,000).

(2) A violation of subsection (b) is a Class E felony; provided, however, that the maximum fine shall be fifty thousand dollars (\$50,000).

Section 39-17-657. (a) It is an offense for any person to knowingly sell or lease, or offer for sell or lease, facilities, locations, advertising services, printing services, telephone services, gambling records or gambling devices based on a percentage of the proceeds of an annual event or by any other contingency agreement based on the proceeds of an annual event.

(b) A violation of this section is a Class E felony; provided, however, that the maximum fine shall be fifty thousand dollars (\$50,000).

Section 39-17-658. All tickets, shares, chances or similar records and other devices imported, transported, or distributed for an annual event operated pursuant to Title 3, Chapter 17, Part 1 are exempt from the provisions of 15 U.S.C. § 1172.

Section 39-17-659. The general assembly, by enacting §§ 39-17-651 - 39-17-658, intends to preempt any other regulation of the area covered by §§ 39-17-651 - 39-17-658 and Title 3, Chapter 17, Part 1. No political subdivision or agency may enact or enforce a law, ordinance, resolution, or regulation that regulates or prohibits any conduct in the area covered by §§ 39-17-651 - 39-17-658 and Title 3, Chapter 17, Part 1.

SECTION 10. Tennessee Code Annotated, Title 3, Chapter 15, is amended by adding the following language as a new part:

Section 3-15-1001. (a) There is hereby created a select oversight committee of the general assembly to be known as the charitable gaming oversight committee.

(b) The oversight committee shall be composed of six (6) members. Three (3) senators, one (1) from each grand division, shall be appointed by the Speaker of the Senate. Three (3) representatives, one (1) from each grand division, shall be appointed by the Speaker of the House of Representatives. During the organizational session of each general assembly, the respective speakers shall appoint, or reappoint, members to serve on the oversight committee. The committee shall elect from its membership a chair, a vice chair and such other officers as it considers necessary. Any vacancies occurring on the oversight committee, between organizational sessions, shall be filled in the same manner as the original appointments by the respective speakers.

(c) The oversight committee, at the call of the chair, shall periodically review and evaluate the operation of the Tennessee charitable gaming implementation law.

SECTION 11. (a) The secretary of state is authorized to promulgate rules and regulations as the secretary of state may deem necessary to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with the provisions of the Uniform Administrative Procedures Act, compiled in Title 4, Chapter 5.

(b) Notwithstanding the provisions of §§ 4-5-208 and 4-5-209 or any other provision of law to the contrary, the secretary of state is authorized to promulgate public necessity rules and emergency rules to implement the provisions of this act.

SECTION 12. (a) The Tennessee Claims Commission is authorized to promulgate rules and regulations as the commission may deem necessary to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with the provisions of the Uniform Administrative Procedures Act, compiled in Title 4, Chapter 5.

(b) Notwithstanding the provisions of §§ 4-5-208 and 4-5-209 or any other provision of law to the contrary, the Tennessee Claims Commission is authorized to promulgate public necessity rules and emergency rules to implement the provisions of this act.

SECTION 13. The provisions of this act shall not be construed to be an appropriation of funds and no funds shall be obligated or expended pursuant to this act unless such funds are specifically appropriated by the General Appropriations Act.

SECTION 14. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 15. This act shall take effect upon becoming a law, the public welfare requiring it.

On motion, Amendment No. 30 was adopted.

Senator Cohen moved that Amendment No. 48 be placed behind Amendment No. 58, which motion prevailed.

Senator Cohen moved to amend as follows:

AMENDMENT NO. 56

AMEND by deleting the following language from amendatory §3-17-102(a)(3)(B) in Section 2:

No more than one (1) annual event shall be held at the same location in each county during any annual event period. For the purpose of this item, "location" means a single physical site in a county identified by an address or unique descriptive feature.

Senator Herron moved Amendment No. 56 go to the table, which motion failed by the following vote:

Ayes 12
Noes 15

Senators voting aye were: Beavers, Bryson, Burks, Ford, Fowler, Graves, Haynes, Henry, Herron, Kurita, McLeary and McNally--12.

Senators voting no were: Burchett, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Ketron, Kilby, Kyle, Miller, Person, Ramsey, Southerland and Williams--15.

Senator Cohen moved that Amendment No. 56 be placed behind Amendment No. 48, which motion prevailed.

Senator Cohen moved to amend as follows:

AMENDMENT NO. 57

AMEND by deleting amendatory §3-17-101(2)(E) in Section 2 and by substituting instead the following:

(E) Conducted at a location where the organization maintains a physical presence;

AND FURTHER AMEND by deleting amendatory §3-17-102(a)(3)(B) in Section 2 and by substituting instead the following:

(B)(i) An annual event shall be operated at a single location within a county in Tennessee where the §501(c)(3) organization has a physical presence, as disclosed pursuant to §3-17-103(a)(2)(A); provided that a §501(c)(3) organization may operate an annual event on the same day in one (1) county where it has a physical presence and in any county with a population in excess of three hundred thousand (300,000) according to the 2000 federal census or any subsequent federal census where it has a physical presence. Such location, or locations, shall be listed as the location of the annual event in the annual event application pursuant to §3-17-103(a)(16).

(ii) Any §501(c)(3) organization authorized to conduct an annual event at multiple locations pursuant to the provisions of this chapter shall only award prizes of real property at each location at which such organization is authorized to conduct an annual event. All such prizes of real property shall be located in the same county of each individual location at which the organization is authorized to conduct the annual event.

(iii) Nothing in this subsection (a)(3)(B) shall be construed to limit the ability of an organization to sell tickets, shares, chances or similar records for an authorized annual event in any political subdivision of this state.

AND FURTHER AMEND by deleting the amendatory language "and the location of the event" from §3-17-102(b) in Section 2 and by substituting instead the language "and the location, or locations, of the event".

AND FURTHER AMEND by deleting the amendatory language "and the location of the event" from §3-17-102(c) in Section 2 and by substituting instead the language "and the location, or locations, of the event".

AND FURTHER AMEND by deleting amendatory §3-17-102(d)(1) in Section 2 and by substituting instead the following:

(1)(A) An authorized annual event shall be held within fourteen (14) calendar days of the event date listed in the annual event application; provided that nothing herein shall be construed as allowing two (2) annual events in any one-year period, as defined in §3-17-101(4), or as allowing a §501(c)(3) organization to operate an annual event at authorized multiple locations on separate days.

(B) A §501(c)(3) organization shall give notice to each chief law enforcement officer of the county or municipality in which the annual event shall be conducted one hundred thirty (130) days prior to the event date listed in the annual event application;

provided that if the event date is within one hundred thirty (130) days from notification

of authorization to conduct an annual event, the §501(c)(3) organization shall immediately, upon receipt of such notification and prior to the commencement of selling any tickets, shares, chances or similar records, give notice to the chief law enforcement officer of each county or municipality in which the annual event shall be conducted. In accordance with subsection (d)(1)(A), if the actual event date is different than the event date listed in the annual event application, a §501(c)(3) organization shall give an additional notice to each chief law enforcement officer of the county or municipality in which the annual event shall be conducted prior to conducting the annual event. For the purposes of this item, "notice" means a letter sent by certified mail, or by actual physical delivery of a letter to the chief law enforcement officer or such officer's designee, containing, at a minimum, the following information:

- (i) The name of the §501(c)(3) organization;
- (ii) The name of the event;
- (iii) The location of the event, including the physical address where the annual event will be conducted;
- (iv) The type of lottery game to be conducted;
- (v) The event date for the event listed in the annual event application;
- (vi) If applicable, the actual event date for the annual event if different than the event date listed in the annual event application;
- (vii) If applicable, additional locations of the event, including the physical address where the annual event will be conducted, if such event will be operated at authorized multiple locations;
- (viii) The name, address and telephone number of the §501(c)(3) organization's chair, president or chief administrative officer; and
- (ix) If applicable, the name, address and telephone number of the person responsible for the operation of the annual event for the §501(c)(3) organization, if different than the organization's chair, president or chief administrative officer.

AND FURTHER AMEND by deleting amendatory §3-17-103(a)(16) in Section 2 and by substituting instead the following:

(16) The location, or locations, of the annual event including, at a minimum, the county in which the annual event would be conducted. Such location shall be in a county where the §501(c)(3) organization has a physical presence in Tennessee; provided that such location may be in one (1) county where the §501(c)(3) organization has a physical presence and in any county with a population in excess of three hundred thousand (300,000) according to the 2000 federal census or any subsequent federal census where such organization has a physical presence.

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AND FURTHER AMEND by deleting amendatory §3-17-105(f) in Section 2 and by substituting instead the following:

(f) A §501(c)(3) organization that has received authorization to conduct an annual event, or conduct an annual event at multiple locations, may, at the discretion of the organization, cancel an annual event or, if authorized at multiple locations, cancel a location of the annual event; provided that:

(1) An affidavit from the §501(c)(3) organization's chair, president or chief administrative officer is filed with the secretary and the chief law enforcement officer of the county or municipality stating that the annual event, or a location of a multiple location annual event, is cancelled, and the nature of the cancellation, within ten (10) calendar days of the decision to cancel the event or location. Such cancellation shall be posted on the website of the secretary. Notwithstanding any provision of this chapter to the contrary, if a single location annual event is cancelled no other notice to the chief law enforcement officer of the county or municipality or a financial accounting shall be required except as provided in subdivision (2) of this subsection; if a location of a multiple location annual event is cancelled, no other notice to the chief law enforcement officer of the county or municipality of the cancelled location is required; and

(2) If cancellation occurs after the commencement of sale of tickets, shares, chances or similar records, a full refund is offered for at least ninety (90) days following cancellation; provided that if a location of a multiple location annual event is cancelled, only tickets, shares, chances or similar records for the cancelled location shall be required to be offered for at least ninety (90) days following cancellation. A §501(c)(3) organization shall give reasonable public notice of cancellation in the area in which tickets, shares, chances or similar records were sold including the terms of the refund offered. Such terms shall be included in the affidavit required pursuant to subdivision (1) of this subsection including a mailing or physical address to submit a refund claim and, within ninety (90) days of cancellation an annual event, or location of a multiple location annual event, the organization shall file an accounting of tickets sold, refunds made and ticket proceeds remaining with the secretary and the chief law enforcement officer of the county or municipality. Any remaining ticket proceeds shall be used in furtherance of the charitable purposes or programs described in §3-17-103(a)(19) of the organization's annual event application.

No annual event cancelled pursuant to the provisions of this subsection may be conducted during the annual event period. No multiple location annual event for which a location is cancelled pursuant to the provisions of this subsection may be conducted at such cancelled location during the annual event period.

AND FURTHER AMEND by deleting the amendatory language "Conducted at one (1) location;" from Section 7 and by substituting instead the language "Conducted at a location where the organization maintains a physical presence;".

AND FURTHER AMEND by deleting amendatory §39-17-653(a) in Section 9 and by substituting instead the following:

(a) It is an offense for any person to knowingly conduct an annual event at a location other than the location, or locations, listed in a §501(c)(3) organization's annual event application pursuant to §3-17-103(a)(16).

THURSDAY, MARCH 18, 2004 -- 71ST LEGISLATIVE DAY

On motion, Amendment No. 57 was adopted.

Senator Kyle moved to amend as follows:

AMENDMENT NO. 58

AMEND by deleting the language "prior to April 6, 2004," from amendatory §3-17-102(a)(1) in Section 2 and by substituting instead the language "by twelve o'clock (12:00) noon Central Daylight Time (CDT) on April 13, 2004,".

AND FURTHER AMEND by deleting the language "prior to April 6, 2004," from amendatory §3-17-103(a) in Section 2 and by substituting instead the language "by twelve o'clock (12:00) noon Central Daylight Time (CDT) on April 13, 2004,".

AND FURTHER AMEND by deleting the language "A copy of the §501(c)(3) organization's Internal Revenue Service Form 1023" from amendatory §3-17-103(a)(7) and by substituting instead the following:

For §501(c)(3) organizations formed after October 9, 1969, a copy of the organization's Internal Revenue Service Form 1023

AND FURTHER AMEND by inserting the word "dollars" between the word "fifty" and the language "(\$50.00) and" in amendatory §3-17-105(a)(4) in Section 2.

AND FURTHER AMEND by deleting the language "or by any other contingency agreement based on the proceeds of an annual event." from amendatory §39-17-657(a) in Section 9 and by substituting instead the language "or by any other contingency agreement based on the proceeds of an annual event or at a price greater than fair market value."

Pursuant to Rule 39(3), Amendment No. 58 was adopted by the following vote:

Ayes 29
Noes 0

Senators voting aye were: Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Ford, Fowler, Graves, Harper, Haynes, Henry, Herron, Ketron, Kilby, Kurita, Kyle, McLeary, McNally, Norris, Person, Ramsey, Southerland, Williams and Mr. Speaker Wilder--29.

On motion of Senator Cohen, Amendment No. 48 was withdrawn.

FURTHER ACTION ON AMENDMENT NO. 56

Senators Burchett, Dixon, Kilby and Kurita declared Rule 13 on Amendment No. 56.

Senator Cohen moved to amend as follows:

AMENDMENT NO. 1 TO AMENDMENT NO. 56

AMEND by deleting the following language from amendatory § 3-17-102(a)(3)(B) in Section 2:

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No more than one (1) annual event shall be held at the same location in each county during any annual event period.

and by substituting instead the language:

No more than two (2) annual events per week shall be held at the same location in each county during any annual event period.

Pursuant to Rule 39(3), Amendment No. 1 to Amendment No. 56 was adopted by the following vote:

Ayes	21
Noes	6
Present, not voting . . .	1

Senators voting aye were: Bryson, Burchett, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Fowler, Graves, Harper, Ketron, Kilby, Kyle, McNally, Miller, Norris, Ramsey, Southerland, Williams and Mr. Speaker Wilder--21.

Senators voting no were: Beavers, Burks, Herron, Kurita, McLeary and Person--6.

Senator present and not voting was: Henry--1.

On motion of Senator Fowler, Amendment No. 2 to Amendment No. 56 was withdrawn.

Thereupon, Amendment No. 56, as amended, was adopted by the following vote:

Ayes	20
Noes	9

Senators voting aye were: Bryson, Burchett, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Graves, Harper, Haynes, Ketron, Kilby, Kyle, McNally, Miller, Ramsey, Southerland, Williams and Mr. Speaker Wilder--20.

Senators voting no were: Beavers, Burks, Fowler, Henry, Herron, Kurita, McLeary, Norris and Person--9.

MR. SPEAKER WILDER RELINQUISHES CHAIR

Mr. Speaker Wilder relinquished the Chair to Senator Haynes as Speaker pro tempore.

On motion of Senator Henry, Amendments Nos. 2, 3, 4, 5 and 6 were withdrawn.

Senator Henry moved to amend as follows:

AMENDMENT NO. 7

AMEND in amendatory Section 3-17-102(a)(3)(B) of Section 2 of the bill, as amended, by inserting before the language "and in any county with a population in excess of three hundred thousand (300,000)", the language "and, in any contiguous county where it has a physical presence,".

Amendment No. 7 failed due to lack of a second.

On motion of Senator Fowler, Amendment No. 8 was withdrawn.

On motion of Senator Herron, Amendments Nos. 13, 14, 15, 16, 17, 18, 19 and 20 were withdrawn.

Senator Herron moved to amend as follows:

AMENDMENT NO. 21

AMEND by deleting amendatory §3-17-101(8) in Section 2 and by substituting instead the following:

(8)(A) "Type of lottery game" means a game of chance played by any person eighteen (18) years of age or older including raffles, reverse raffles, cakewalks and cakewheels, but expressly prohibiting pulltabs, punchboards, bingo, instant bingo, video lottery, instant and on-line lottery games of a type operated by the Tennessee education lottery corporation, keno and games of chance associated with casinos, including, but not limited to, slot machines, roulette wheels, and the like;

(B) For the purpose of this item, "bingo" means a specific game of chance in which participants use cards or paper sheets divided into horizontal and vertical spaces, each of which is designated by a letter and a number, and prizes are awarded on the basis of the letters and numbers on the card conforming to a predetermined and preannounced configuration of letters and numbers selected at random;

(C) For the purpose of this item, "cakewalks" and "cakewheels" mean a game of chance in which a participant is required to make a wager to select, or to receive, a prize with the winner determined by random selection through walking to music, colored space, a spinning wheel, drawing or any combination thereof;

(D) For the purpose of this item, "raffles" and "reverse raffles" mean a game of chance in which a participant is required to purchase a ticket for a chance to win a prize, with the winner to be determined by random drawing;

(E) For the purpose of this item, "video lottery" means a lottery that allows a game to be played utilizing an electronic computer and an interactive terminal device, equipped with a video screen and keys, a keyboard or other equipment allowing input by an individual player, into which the player inserts coins or currency as consideration in order for play to be available, and through which terminal device, the player may receive free games or a voucher that can be redeemed for a cash or non-cash prize, or nothing, determined wholly or predominantly by chance;

(F) Any type of lottery game not expressly authorized in this item is prohibited.

Senator Herron moved that Amendment No. 21 be moved five places down on the calendar for today, which motion prevailed.

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MOTION

Senator Crutchfield moved that the Proposed Schedule for the week of March 22, 2004, be adopted and made the action of the Senate, which motion prevailed by the following vote:

Ayes 26

Noes 0

Senators voting aye were: Bryson, Burchett, Burks, Clabough, Cooper, Crowe, Crutchfield, Dixon, Fowler, Graves, Harper, Haynes, Henry, Herron, Ketron, Kilby, Kurita, Kyle, McLeary, McNally, Miller, Norris, Ramsey, Southerland, Williams and Mr. Speaker Wilder--26.

**TENNESSEE STATE SENATE
103rd GENERAL ASSEMBLY**

**PROPOSED SCHEDULE
FOR THE WEEK OF MARCH 22, 2004**

MONDAY – March 22

5:00 p.m. Session – Senate Chamber

TUESDAY – March 23

8:30 a.m. – 10:30 a.m.	Finance, Ways & Means Committee
10:30 a.m. – 12:30 p.m.	State & Local Government Committee
12:30 p.m. – 1:30 p.m.	Lunch
1:30 p.m. – 3:30 p.m.	Commerce, Labor & Agriculture Committee
3:30 p.m. – 5:30 p.m.	Judiciary Committee

WEDNESDAY – March 24

8:30 a.m. – 10:00 a.m.	Education Committee
10:00 a.m. – 11:30 a.m.	General Welfare, Health & Human Resources
11:30 a.m. – 12:30 p.m.	Lunch
12:30 p.m. – 1:30 p.m.	Transportation Committee
1:30 p.m. – 2:30 p.m.	Government Operations Committee
2:30 p.m.	Session – Senate Chamber

THURSDAY – March 25

9:00 a.m. Session – Senate Chamber

OTHER MEETINGS:

Monday, March 22, 2004 –

Lottery Oversight Committee
12:00 noon – 2:00 p.m. – Room 12/14 LP
Council on Pensions & Insurance
1:30 p.m. – Room 29 LP
TennCare Oversight Committee
2:00 p.m. – 4:00 p.m. – Room 12/14 LP

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Joint Ad Hoc Committee on Methamphetamine Related
Offenses
2:00 p.m. – 4:00 p.m. – Room 30 LP

Tuesday, March 23, 2004 – Commerce, Labor & Agriculture Pre-Meeting
7:30 a.m. – Third Floor Conference Room
Tax Study Subcommittee of Finance, Ways & Means
8:30 a.m. – Room 12/14 LP

Wednesday, March 24, 2004 – Select Oversight Committee on Workers' Compensation
Immediately following Session – Room 12/14 LP

NOTE: The Environment, Conservation & Tourism Committee will not meet.

CALENDAR

FURTHER ACTION ON SENATE BILL NO. 3212, AS AMENDED

On motion of Senator Herron, Amendments Nos. 22, 23 and 24 were withdrawn.

Senator Herron moved to amend as follows:

AMENDMENT NO. 25

AMEND by deleting amendatory §3-17-105(c)(4) in Section 2 and by substituting instead the following:

(4) An itemized list, including the name and address of the payee, of the amounts spent for overhead, expenses, commissions, and similar purposes;

Senator Kyle moved Amendment No. 25 go to the table, which motion prevailed by the following vote:

Ayes 14
Noes 8

Senators voting aye were: Burchett, Clabough, Cooper, Crutchfield, Dixon, Haynes, Ketron, Kilby, Kyle, McNally, Miller, Ramsey, Williams and Mr. Speaker Wilder--14.

Senators voting no were: Bryson, Fowler, Graves, Henry, Herron, Kurita, Norris and Southerland--8.

On motion of Senator Herron, Amendment No. 26 was withdrawn.

FURTHER ACTION ON AMENDMENT NO. 21

Senator Herron moved to amend as follows:

AMENDMENT NO. 1 TO AMENDMENT NO. 21

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AMEND by adding the following language in (8)(D) in Senate Amendment No. 21 after the language "ticket";

, share, chance or similar record

On motion, Amendment No. 1 to Amendment No. 21 was adopted by the following vote:

Ayes 24
Noes 0

Senators voting aye were: Bryson, Burchett, Burks, Clabough, Cooper, Crutchfield, Dixon, Fowler, Graves, Harper, Haynes, Henry, Herron, Ketron, Kilby, Kurita, Kyle, McNally, Miller, Norris, Ramsey, Southerland, Williams and Mr. Speaker Wilder--24.

Thereupon, Amendment No. 21, as amended, was adopted.

Senator Bryson moved that Amendment No. 28 be placed behind Amendment No. 45, which motion prevailed.

On motion of Senator Herron, Amendments Nos. 29 and 31 were withdrawn.

Senator Herron moved to amend as follows:

AMENDMENT NO. 32

AMEND by deleting amendatory §3-17-110 in Section 2 and by substituting instead the following:

Section 3-17-110. (a) Except as provided in subsection (b), any person or §501(c)(3) organization who violates any provision of this chapter, any rule or regulation adopted pursuant to the provisions of this chapter or is convicted of a violation of §39-16-702, §39-16-703 or Title 39, Chapter 17, Parts 5 and 6 shall be permanently disqualified from submitting an annual event application.

(b) Any person or §501(c)(3) organization who fails to timely file a financial accounting pursuant to § 3-17-105, or who is convicted of failing to timely file a financial accounting pursuant to §39-17-655(a)(2), shall be disqualified from submitting an annual event application for a period of five (5) years.

Senator Kyle moved Amendment No. 32 go to the table, which motion prevailed by the following vote:

Ayes 14
Noes 10

Senators voting aye were: Bryson, Burchett, Clabough, Cooper, Dixon, Fowler, Harper, Haynes, Ketron, Kyle, McNally, Ramsey, Williams and Mr. Speaker Wilder--14.

Senators voting no were: Burks, Crutchfield, Graves, Henry, Herron, Kilby, Kurita, Miller, Norris and Southerland--10.

On motion of Senator Herron, Amendment No. 33 was withdrawn.

Senator Fowler moved to amend as follows:

AMENDMENT NO. 34

AMEND by deleting amendatory §3-17-103(a)(11) in Section 2 and by substituting instead the following:

(11) A statement that no officer, director, trustee, or the principal salaried executive staff officer of the §501(c)(3) organization has been convicted of a violation of §39-14-103, §39-14-104, §39-14-105, §39-16-702, §39-16-703, Title 39, Chapter 17, Parts 5 or 6 or a similar offense in another jurisdiction;

On motion, Amendment No. 34 was adopted.

On motion of Senator Fowler, Amendment No. 35 was withdrawn.

On motion of Senator Herron, Amendment No. 36 was withdrawn.

Senator Herron moved that Amendment No. 37 be placed behind Amendment No. 54, which motion prevailed.

On motion of Senator Herron, Amendments Nos. 38, 39 and 40 were withdrawn.

Senator Fowler moved that Amendment No. 41 be placed behind Amendment No. 42, which motion prevailed.

Senator Fowler moved to amend as follows:

AMENDMENT NO. 42

AMEND by deleting amendatory §3-17-103(a)(6) in Section 2 and by substituting instead the following:

(6) A copy of organizational documents and any other documents that prove to the satisfaction of the secretary that the §501(c)(3) organization has been in continuous and active existence as a §501(c)(3) organization located in Tennessee for at least five (5) years immediately preceding the event date listed in the annual event application. The secretary may promulgate rules and regulations as to the type, and quantity, of documentation necessary for proof of continuous and active existence. Such documentation shall be supported by an affidavit signed by the §501(c)(3) organization's chair, president or chief administrative officer and secretary affirming that the organization has been in continuous and active existence in Tennessee for at least five (5) years immediately preceding the event date listed in the annual event application;

On motion, Amendment No. 42 was adopted.

Senator Fowler moved to amend as follows:

AMENDMENT NO. 41

AMEND by adding the following language as a new subdivision to amendatory §3-17-102(d) in Section 2:

(4) Notwithstanding any provision of this chapter to the contrary, tickets, shares, chances or similar records shall only be sold in the county in which a §501(c)(3) organization has been authorized pursuant to the provisions of this chapter to conduct an annual event and in any contiguous counties to such county; provided that nothing in this subdivision shall be construed to limit the ability of any person, regardless of residence, to lawfully purchase tickets, shares, chances or similar records at such authorized locations.

Senator Kyle moved Amendment No. 41 go to the table, which motion prevailed by the following vote:

Ayes	18
Noes	6

Senators voting aye were: Burchett, Burks, Clabough, Cooper, Crutchfield, Dixon, Graves, Harper, Haynes, Ketron, Kilby, Kyle, McNally, Miller, Ramsey, Southerland, Williams and Mr. Speaker Wilder--18.

Senators voting no were: Bryson, Fowler, Henry, Herron, Kurita and Norris--6.

On motion of Senator Fowler, Amendment No. 43 was withdrawn.

Senator Herron moved that Amendment No. 44 be placed behind Amendment No. 45, which motion prevailed.

Senator Herron moved to amend as follows:

AMENDMENT NO. 45

AMEND by deleting amendatory §3-17-102(a)(6) in Section 2 and by substituting instead the following:

(6)(A) Except as provided in subdivision (B), a §501(c)(3) organization authorized to conduct an annual event pursuant to the provisions of this chapter shall return all of gross proceeds, less any amount expended pursuant to §3-17-102(a)(5)(B), to the organization for the purposes or programs described in §3-17-103(a)(19), but, in any event, a §501(c)(3) organization shall return at least thirty-five percent (35%) of gross proceeds to the organization for the purposes or programs described in §3-17-103(a)(19).

(B) A §501(c)(3) organization that fails to return at least thirty-five percent (35%) of gross proceeds from the annual event to the purposes or programs described in §3-17-103(a)(19) in any year shall file notice with the secretary on a form prescribed by the secretary. If, in the sound discretion of the secretary, the organization was not at fault in failing to return the required percentage, the organization shall be allowed to file an annual event application for the next annual event period; provided that if an organization fails to return the required percentage in two (2) consecutive annual event periods, the organization shall be permanently disqualified from filing annual event applications.

Senator McNally moved Amendment No. 45 go to the table, which motion failed by the following vote:

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Ayes 10
Noes 12

Senators voting aye were: Burchett, Clabough, Cooper, Dixon, Harper, Haynes, Ketron, Kyle, McNally and Williams--10.

Senators voting no were: Bryson, Burks, Crutchfield, Fowler, Graves, Henry, Herron, Kilby, Kurita, Miller, Norris and Southerland--12.

On motion of Senator Miller, Amendment No. 1 to Amendment No. 45 was withdrawn.

On motion, Amendment No. 45 was adopted by the following vote:

Ayes 12
Noes 10

Senators voting aye were: Burks, Fowler, Graves, Harper, Henry, Herron, Ketron, Kilby, Kurita, Miller, Norris and Southerland--12.

Senators voting no were: Bryson, Burchett, Clabough, Cooper, Crutchfield, Dixon, Haynes, Kyle, McNally and Williams--10.

On motion of Senator Herron, Amendment No. 44 was withdrawn.

On motion of Senator Bryson, Amendment No. 28 was withdrawn.

Senator Herron moved that Amendment No. 46 be placed behind Amendment No. 47, which motion prevailed.

Senator Herron moved to amend as follows:

AMENDMENT NO. 47

AMEND by adding the following language as a new amendatory section in Section 2:

Section 3-17-112. The secretary may assess a civil penalty against any person, or a §501(c)(3) organization, not to exceed fifty thousand dollars (\$50,000) for a violation of this chapter or any rule or regulation adopted pursuant to the provision of this chapter. Any hearing on the imposition of any fine pursuant to the provisions of this section shall be in accordance with the Uniform Administrative Procedures Act, compiled in Title 4, Chapter 5.

Senator Kyle moved Amendment No. 47 go to the table, which motion prevailed by the following vote:

Ayes 16
Noes 6

Senators voting aye were: Bryson, Burchett, Clabough, Cooper, Crutchfield, Dixon, Harper, Haynes, Ketron, Kilby, Kyle, McNally, Miller, Norris, Williams and Mr. Speaker Wilder--16.

Senators voting no were: Fowler, Graves, Henry, Herron, Kurita and Southerland--6.

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Senator Ketron moved that the Senate reconsider its action in adopting Amendment No. 45, which motion prevailed by the following vote:

Ayes	19
Noes	4

Senators voting aye were: Bryson, Burchett, Burks, Clabough, Cooper, Crutchfield, Dixon, Fowler, Graves, Harper, Haynes, Ketron, Kilby, Kyle, McNally, Miller, Southerland, Williams and Mr. Speaker Wilder--19.

Senators voting no were: Henry, Herron, Kurita and Norris--4.

Thereupon, Amendment No. 45 failed by the following vote:

Ayes	11
Noes	11
Present, not voting . . .	1

Senators voting aye were: Burks, Dixon, Fowler, Graves, Henry, Herron, Kilby, Kurita, Miller, Norris and Southerland--11.

Senators voting no were: Bryson, Burchett, Clabough, Cooper, Crutchfield, Haynes, Ketron, Kyle, McNally, Williams and Mr. Speaker Wilder--11.

Senator present and not voting was: Harper--1.

Senator Harper moved that **Senate Bill No. 3212**, as amended, be placed on the calendar for Wednesday, March 24, 2004.

Senator Clabough moved for the previous question on **Senate Bill No. 3212**, as amended, which motion prevailed.

Thereupon, the motion failed by the following vote:

Ayes	6
Noes	16
Present, not voting . . .	1

Senators voting aye were: Burks, Dixon, Harper, Kilby, Kurita and Norris--6.

Senators voting no were: Bryson, Burchett, Clabough, Cooper, Crutchfield, Fowler, Graves, Haynes, Herron, Ketron, Kyle, McNally, Miller, Southerland, Williams and Mr. Speaker Wilder--16.

Senator present and not voting was: Henry--1.

Senator Kyle moved that **Senate Bill No. 3212**, as amended, be rereferred to the Committee on Finance, Ways and Means; also, to suspend Rule 83 and amend the schedule for the purpose of allowing the Committee on Finance, Ways and Means to meet and consider Senate Bill No. 3212,

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as amended, at 4:00 p.m. on Monday, March 22, 2004; and, if such bill passes out of the Committee on Finance, Ways and Means it shall be placed first on the calendar for Monday, March 22, 2004; furthermore, that the schedule be amended for the purpose of allowing the Senate to meet at 6:00 p.m., which motion prevailed.

MOTION

Senator Cooper moved that Rule 83(8) be suspended for the purpose of placing **Senate Bills Nos. 905, 3354 and 3468** on the calendar for the Committee on Commerce, Labor and Agriculture for Tuesday, March 23, 2004, which motion prevailed.

MOTION

Senator Henry moved that, pursuant to Rule 31, the following bills be referred to Committee on Finance, Ways and Means: **Senate Bills Nos. 2612, 3256 and 3257**.

MOTION

Senator Norris moved that Rule 83(8) be suspended for the purpose of placing **Senate Bill No. 3426** on the calendar for the Committee on Judiciary for Tuesday, March 23, 2004 which motion prevailed.

MOTION

On motion of Senator Henry, his name was added as sponsor of **Senate Bills Nos. 934, 3450 and 3456; and House Joint Resolutions Nos. 902 and 956**.

On motion of Senator Kyle, his name was added as sponsor of **Senate Bills Nos. 3388, 3415, 3425, 3429, 3433, 3448, 3450, 3456 and 3457**.

On motion of Senator McLeary, his name was added as prime sponsor of **Senate Bill No. 2632**.

On motion of Senator Crowe, his name was added as sponsor of **Senate Bill No. 2805 and House Joint Resolution No. 964**.

On motion of Senator Person, his name was added as sponsor of **Senate Bills Nos. 2975 and 2976; and Senate Resolution No. 135**.

On motion of Senator Bryson, his name was added as sponsor of **Senate Bill No. 2713; Senate Joint Resolution No. 829; and House Joint Resolution No. 954**.

On motion of Senator Cooper, his name was added as sponsor of **House Joint Resolution No. 956**.

On motion of Senator Cohen, his name was added as sponsor of **Senate Bill No. 1004; House Joint Resolution No. 902; and Senate Joint Resolution No. 830**.

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On motion of Senator Graves, her name was added as sponsor of **Senate Bill No. 2981; and House Joint Resolutions Nos. 961, 962 and 963.**

On motion of Senator Ketron, his name was added as sponsor of **Senate Bill No. 1915; and House Joint Resolutions Nos. 944, 972, 973, 974 and 975.**

On motion of Senator Ford, his name was added as sponsor of **Senate Joint Resolution No. 858 and Senate Bill No. 571.**

On motion of Senator Herron, his name was added as sponsor of **Senate Bill No. 502.**

On motion of Senator Norris, his name was added as sponsor of **Senate Bill No. 2376.**

On motion of Senator Kurita, her name was added as sponsor of **House Joint Resolutions Nos. 956 and 967.**

On motion of Senator Beavers, her name was added as sponsor of **House Joint Resolutions Nos. 961, 962 and 963.**

On motion of Senator Williams, his name was removed as sponsor of **Senate Bill No. 571.**

On motion of Senators Crowe and Person, their names were added as sponsors of **Senate Bill No. 2100.**

On motion of Senator Harper, her name was added as sponsor of **Senate Resolution No. 127; House Joint Resolution No. 944; and Senate Joint Resolution No. 830.**

On motion of Senator Dixon, his name was added as sponsor of **House Joint Resolutions Nos. 902 and 956.**

On motion of Senator Williams, his name was added as sponsor of **House Joint Resolution No. 902.**

On motion of Senator Miller, his name was added as sponsor of **House Joint Resolution No. 965.**

On motion of Senators Kyle, Cohen, Norris, Person and Ford, their names were added as sponsors of **Senate Joint Resolutions Nos. 828 and 829.**

ENGROSSED BILLS

March 18, 2004

MR. SPEAKER: Your Chief Engrossing Clerk begs leave to report that we have carefully examined Senate Joint Resolution No. 858, and find same correctly engrossed and ready for transmission to the House.

PATRICK W. MERKEL,
Chief Engrossing Clerk.

ENGROSSED BILLS

March 18, 2004

MR. SPEAKER: Your Chief Engrossing Clerk begs leave to report that we have carefully examined Senate Bills Nos. 3133, 3398, 3403 and 3477; and find same correctly engrossed and ready for transmission to the House.

PATRICK W. MERKEL,
Chief Engrossing Clerk.

ENGROSSED BILLS

March 18, 2004

MR. SPEAKER: Your Chief Engrossing Clerk begs leave to report that we have carefully examined Senate Bills Nos. 2119, 2694 and 3167; and Senate Joint Resolutions Nos. 718, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829 and 830; and find same correctly engrossed and ready for transmission to the House.

PATRICK W. MERKEL,
Chief Engrossing Clerk.

MESSAGE FROM THE HOUSE

March 18, 2004

MR. SPEAKER: I am directed to transmit to the Senate, House Bills Nos. 2437, 3004, 3285, 3286 and 3565; passed by the House.

BURNEY T. DURHAM,
Chief Clerk.

MESSAGE FROM THE HOUSE

March 18, 2004

MR. SPEAKER: I am directed to transmit to the Senate, House Bills Nos. 2364, 2901, 2953, 3010, 3242 and 3263; passed by the House.

BURNEY T. DURHAM,
Chief Clerk.

MESSAGE FROM THE HOUSE

March 18, 2004

MR. SPEAKER: I am directed to transmit to the Senate, House Joint Resolutions Nos. 979, 980 and 981; adopted, for the Senate's action.

BURNEY T. DURHAM,
Chief Clerk.

MESSAGE FROM THE HOUSE

March 18, 2004

MR. SPEAKER: I am directed to return to the Senate, Senate Bills Nos. 2149, 2184, 2613, 2614, 2620, 2668, 2969, 3109 and 3152; substituted for House Bills on same subjects and passed by the House.

BURNEY T. DURHAM,
Chief Clerk.

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MESSAGE FROM THE HOUSE

March 18, 2004

MR. SPEAKER: I am directed to return to the Senate, Senate Bill No. 3477, substituted for House Bill on same subject and passed by the House.

BURNEY T. DURHAM,
Chief Clerk.

MESSAGE FROM THE HOUSE

March 18, 2004

MR. SPEAKER: I am directed to return to the Senate, Senate Joint Resolutions Nos. 11, 806, 807, 808, 809, 810, 811, 812, 813, 814 and 815; concurred in by the House.

BURNEY T. DURHAM,
Chief Clerk.

MESSAGE FROM THE HOUSE

March 18, 2004

MR. SPEAKER: I am directed to return to the Senate, Senate Joint Resolution No. 858, concurred in by the House.

BURNEY T. DURHAM,
Chief Clerk.

ENROLLED BILLS

March 16, 2004

MR. SPEAKER: Your Chief Engrossing Clerk begs leave to report that we have carefully compared Senate Bill No. 2703, and find same correctly enrolled and ready for the signatures of the Speakers.

PATRICK W. MERKEL,
Chief Engrossing Clerk.

ENROLLED BILLS

March 18, 2004

MR. SPEAKER: Your Chief Engrossing Clerk begs leave to report that we have carefully compared Senate Joint Resolution No. 858, and find same correctly enrolled and ready for the signatures of the Speakers.

PATRICK W. MERKEL,
Chief Engrossing Clerk.

ENROLLED BILLS

March 18, 2004

MR. SPEAKER: Your Chief Engrossing Clerk begs leave to report that we have carefully compared Senate Resolutions Nos. 127, 128, 135, 136 and 137; and Senate Joint Resolutions Nos.

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11, 806, 807, 808, 809, 810, 811, 812, 813, 814 and 815; and find same correctly enrolled and ready for the signatures of the Speakers.

PATRICK W. MERKEL,
Chief Engrossing Clerk.

MESSAGE FROM THE HOUSE
March 17, 2004

MR. SPEAKER: I am directed to transmit to the Senate, House Bills Nos. 3555 and 3562, for the signature of the Speaker.

BURNEY T. DURHAM,
Chief Clerk.

MESSAGE FROM THE HOUSE
March 18, 2004

MR. SPEAKER: I am directed to transmit to the Senate, House Joint Resolutions Nos. 902, 944, 954, 956, 961, 962, 963, 964, 965, 967, 968, 969, 972, 973, 974, 975 and 976; for the signature of the Speaker.

BURNEY T. DURHAM,
Chief Clerk.

SIGNED
March 17, 2004

The Speaker announced that he had signed the following: Senate Bill No. 2703.

SIGNED
March 17, 2004

The Speaker announced that he had signed the following: House Bills Nos. 3555 and 3562.

SIGNED
March 17, 2004

The Speaker announced that he had signed the following: House Bills Nos. 2417, 2462, 2470, 2868, 2999, 3554, 3556, 3558 and 3560.

SIGNED
March 18, 2004

The Speaker announced that he had signed the following: Senate Joint Resolution No. 858.

SIGNED
March 18, 2004

The Speaker announced that he had signed the following: House Joint Resolutions Nos. 902, 944, 954, 956, 961, 962, 963, 964, 965, 967, 968, 969, 972, 973, 974, 975 and 976.

SIGNED

March 18, 2004

The Speaker announced that he had signed the following: Senate Resolutions Nos. 127, 128, 135, 136 and 137; and Senate Joint Resolutions Nos. 11, 806, 807, 808, 809, 810, 811, 812, 813, 814 and 815.

MESSAGE FROM THE HOUSE

March 18, 2004

MR. SPEAKER: I am directed to return to the Senate, Senate Joint Resolution No. 858, signed by the Speaker.

BURNEY T. DURHAM,
Chief Clerk.

MESSAGE FROM THE HOUSE

March 18, 2004

MR. SPEAKER: I am directed to return to the Senate, Senate Bill No. 2703, signed by the Speaker.

BURNEY T. DURHAM,
Chief Clerk.

MESSAGE FROM THE HOUSE

March 18, 2004

MR. SPEAKER: I am directed to return to the Senate, Senate Joint Resolutions Nos. 11, 806, 807, 808, 809, 810, 811, 812, 813, 814 and 815; signed by the Speaker.

BURNEY T. DURHAM,
Chief Clerk.

REPORT OF CHIEF ENGROSSING CLERK

March 18, 2004

MR. SPEAKER: Your Chief Engrossing Clerk begs leave to report that we have transmitted to the Governor the following: Senate Bill No. 2703, for his action.

PATRICK W. MERKEL,
Chief Engrossing Clerk.

REPORT OF CHIEF ENGROSSING CLERK

March 18, 2004

MR. SPEAKER: Your Chief Engrossing Clerk begs leave to report that we have transmitted to the Governor the following: Senate Joint Resolutions Nos. 11, 806, 807, 808, 809, 810, 811, 812, 813, 814 and 815; for his action.

PATRICK W. MERKEL,
Chief Engrossing Clerk.

THURSDAY, MARCH 18, 2004 -- 71ST LEGISLATIVE DAY

REPORT OF CHIEF ENGROSSING CLERK

March 18, 2004

MR. SPEAKER: Your Chief Engrossing Clerk begs leave to report that we have transmitted to the Governor the following: Senate Joint Resolution No. 858, for his action.

PATRICK W. MERKEL,
Chief Engrossing Clerk.

MESSAGE FROM THE GOVERNOR

March 17, 2004

MR. SPEAKER: I am directed by the Governor to return herewith: Senate Joint Resolutions Nos. 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 794, 795, 796, 799, 803, 804 and 805; with his approval.

ROBERT E. COOPER, JR.,
Counsel to the Governor.

MESSAGE FROM THE GOVERNOR

March 18, 2004

MR. SPEAKER: I am directed by the Governor to return herewith: Senate Joint Resolution No. 858, with his approval.

ROBERT E. COOPER, JR.,
Counsel to the Governor.

**REPORT OF COMMITTEE ON CALENDAR
CONSENT CALENDAR #1**

MR. SPEAKER: Your Committee on Calendar begs leave to report that we have met and set the following bills on the calendar for Monday, March 22, 2004: House Joint Resolutions Nos. 979, 980 and 981; Senate Resolution No. 138; and Senate Joint Resolutions Nos. 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857 and 859.

This the 18th day of March, 2004.
CROWE, Chairperson.

**REPORT OF COMMITTEE ON CALENDAR
CONSENT CALENDAR #2**

MR. SPEAKER: Your Committee on Calendar begs leave to report that we have met and set the following bills on the calendar for Monday, March 22, 2004: Senate Bills Nos. 2085, 2241, 2735, 3186, 3358 and 3396; House Joint Resolutions Nos. 871 and 872; and Senate Resolutions Nos. 120, 121, 122 and 132.

This the 18th day of March, 2004.
CROWE, Chairperson.

THURSDAY, MARCH 18, 2004 -- 71ST LEGISLATIVE DAY

**REPORT OF COMMITTEE ON CALENDAR
LOCAL BILL
CONSENT CALENDAR**

Pursuant to Rule 26, the following bills have been set on the Consent Calendar for Monday, March 22, 2004: Senate Bills Nos. 3472, 3473 and 3474.

REPORT OF COMMITTEE ON CALENDAR

MR. SPEAKER: Your Committee on Calendar begs leave to report that we have met and set the following bills on the calendar for Monday, March 22, 2004: Senate Bills Nos. 2259, 2392, 2422, 2524, 2586, 2661, 2712, 2877, 2931, 2935, 3187 and 3259; Senate Joint Resolution No. 797; and Senate Bills Nos. 1671, 2748 and 3139.

This the 18th day of March, 2004.
CROWE, Chairperson.

ADJOURNMENT

Senator Crutchfield moved the Senate adjourn until 6:00 p.m., Monday, March 22, 2004, which motion prevailed.